

The Roles of Organizational and Ethical Climate on Individual Performance of Employees

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Abstract

Performance evaluation is a process in which the productivity of employees or institutions is measured according to certain pre-determined standards. Being competitive in national and international markets and increasing productivity have gained importance under the current market conditions and in the process of globalization. The most significant source for organizations to provide a sustainable competitive advantage is human resources. Therefore, providing a positive workplace atmosphere to employees in the organizations is of great importance. This study tests the roles of organizational climate and ethical climate, which gradually gain significance in new organizational structures that emerge with social, economic and technological changes under the market conditions of the 21st century, on the individual performance of employees. For this purpose, data were obtained by using the survey method on the white-collar employees of organizations functioning in three diverse areas of the private sector in Istanbul. It was determined that while organizational climate has a low influence on the individual performance of employees, the ethical climate has an important role on the individual performance of employees.

Key words: Organizational climate, Ethical climate, Individual performance
JEL Code: M10, M12



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INTRODUCTION

The existence of organizations under demanding competitive conditions in the modern world and maintaining sustainability by creating quality work outputs are becoming harder gradually. The productive use of existing resources has become compulsory to be able to commercialize products and services of organizations in the international arena, and to maintain sustainability by creating the difference to exist in increasingly difficult competitive conditions. The most important factor for organizations to provide a sustainable competitive advantage and differentiate themselves from their competitors is human resources (Ahmad and Schroeder, 2003). Therefore, organizations aim to create a difference by focusing on the effective management of human resources. Additionally, a suitable organizational climate is necessary to create a difference in employees and increase their individual performances since workplaces have a personality just like human beings. In this context, the fact that employees understand their workplace well and perceive its procedures better is a significant factor for the performance of employees to become more productive (Stogdill, 1965; Oldham and Cummings, 1996). In order to maximize the performance of employees in organizations, employees should perceive ethical climate and organizational climate of their organization as powerful. Thus, employees have the sense of confidence towards their organizations and can maximize individual performance (Morris and Sherman, 1981).

In this study, the focus is on the roles of organizational climate and ethical climate on the individual performance of employees by the research carried out in three different sectors operating in the private sector in Istanbul province. Studies carried out on the effect of the employees' perception of today's companies concerning the organizational climate and ethical climate on employee productivity are of great importance.

In the study, we first provide the literature review in organizational climate and ethical climate fields and their relationship with individual performance, and then, formulate our hypotheses. Next, we present methodology, and analysis and findings sections. Lastly, we discuss our findings and provide a

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conclusion with the directions for future research.

LITERATURE REVIEW

Organizational Climate

Since organizational climate is a principal construct in organizational settings and work, there has been a long-lasting attention in studying organizational climate among scholars. The construct is principal because it offers a proper setting for learning organizational behavior by consenting the examination of the behaviors of individuals and groups. The proposed associations between organizational climate and other organizational constructs such as performance on the job, the satisfaction of the employees, leadership, and group dynamics clearly indicate its importance (Schnake, 1983). According to their study in 1968, Litwin and Stringer's definition of organizational climate is that climate is a form of quantifiable characteristics of the work setting, recognized openly or **obliquely** by the workforce. Schneider (2000) defined it as a practically grounded depiction of the working setting, and more explicitly, the viewpoints of employees of the policies both formal and informal, procedures and practices in the organization.

Previous studies have shown that organizational climate construct has many dimensions. Litwin and Stringer (1968) suggested that individual responsibility, risk, warmth, management support, reward, standards, structure, conflict and organizational identity are the dimensions of organizational climate. According to Schnake's (1983) study that was done by means of the scale modified from Litwin and Stringer (1968), organizational climate is composed of five dimensions: structure, participation and reward orientation, responsibility, warmth and support, and standards. Rogg, et al. (2001) presented four climate scales including cooperation and coordination, customer orientation, employee commitment, and management competence and consistency. As it is seen, different climate dimensions appeared as important in different studies. Furnham and Goodstein (1997) underlined that organizational climate's dimensions depend on organization's type engaged and which specific behavior are considered. They also highlighted that organizational climate is rather flexible; variations and fluctuations in structures, systems, and managerial actions and behaviors affect climate by having impact on both individual and group performance (Furnham and Goodstein, 1997).

Organizational climate that is reflected by organizational structures, systems, and managerial behavior indicates the quality of working environment that affect job satisfaction consecutively influences the performances of individuals and organizations (Furnham and Goodstein, 1997). The associations between organizational climate and organizational performance have been studied by numerous researchers and evidenced. Patterson, Warr and West (2004) have scrutinized the relationship between organizational climate and company productivity. Pritchard and Karasick (1973) and Brown and Leigh (1996) have studied the relationship between individual performance and work climate. Brown and Leigh (1996) revealed that perceiving organizational climate as motivating and encompassing was positively associated with managerial evaluations of performance. Pritchard and Karasick (1973) found that some characteristics of organizational climate may provide job satisfaction and have positive effects on employee performance.

Employees' perceptions of organizational climate and individual characteristics lie behind their corporate success motives, creativity, performance and productivity (Oldham and Cummings, 1996). Organizational climate reflects the psychological identity of the organization. Organizational climate concerns employees' viewpoints and feelings about the working environment. The fact that the feelings in question are positive has critical importance for the organizational success. Organizational climate plays an important role in determining job satisfaction (Cain, 2000). The performance of employees with higher job satisfaction is also expected to be high. Organizational climate is one of the most central tools to understand organizational complexity. This point of view also regards employees' satisfaction with organizational health, culture, and climate as significant. It necessitates the design of the physical and psychological environment of the organization in a way to ensure job satisfaction for working environment to be by the organizational health conditions and also to have the quality to enhance individual performance.

Stogdill (1965) has found that there is a significant and strong relationship between the organizational climate and the productivity of employees. According to Stogdill (1965), job satisfaction of employees depends on being appreciated performing their work and this makes a positive contribution to the performance and productivity of employees. Certainly, employees want some of their needs and demands in the organization to be met, and the organizational climate meeting their needs and wants makes a positive contribution to their performance. Job satisfaction, morale and motivation and, therefore, performance increase to the extent worker's expectations are met (Stogdill, 1965).

Studies carried out on the organizational climate show that climate affects employees' attitudes, approaches, and behaviors in areas for instance job satisfaction of the employees, employee performance, intentions of the employees to leave the work, and organizational commitment, and improve their creative abilities (Oldham and Cummings, 1996). The concept should be dealt with its two different aspects in the analyses of the concept of performance. The first one of these is the task performance, and another one is the contextual performance. Task performance concentrate on uncomplicated technical parts of a job. Contextual performance includes psychological performance situations such as voluntary and noncompulsory activities, participation and motivation. Both task and contextual performances are organizational output. This output should be supported by an input that will ensure the obtainment of this output and the positive perception of the organizational climate.

Since the dimensions of organizational climate depend on the type of organization engaged and which specific behavior are considered to study, we wanted to scrutinize the relationship between the organizational climate's dimensions and individual performance in different organizational settings. We hypothesized that;

H1. There is a positive effect of a strong perception of organizational climate on employees' individual performance.

H1a. The strong perceptions of the organizational climate's dimensions have a positive effect on employees' individual performance.

Ethical Climate

Building on various organizational climate definitions (e.g. Litwin and Stringer, 1968; Schneider, 1975; Momeni, 2009; Reichers and Schneider, 1990; Sompow, 2006), Victor and Cullen (1988) define organizational ethical climate as "the shared perception of what is correct behavior and how ethical situations should be handled in an organization" (p. 51). More explicitly, organizational ethical climate addresses employees' shared insights about company policies, practices such as actions, methods, routines, and traditions, and procedures (Victor and Cullen, 1988).

Cullen, Parboteeah and Victor (2003) have addressed that ethical climates are not delineations of the person's ethical values or their moral development level. Rather, they characterize constituents of the individual's milieu as seen by its members. The ethical climate is a subset of the work climate (Elçi and Alpkan, 2009). The ethical climate concept describes a group of entrenched climates echoing practices of the organizations with moral concerns (Cullen, Victor and Bronson, 1993). An organization's ethical climate means that common views about what morally true action and behavior are and how the ethical concerns should be under control (Victor and Cullen, 1987). Organizations operationalize the supported and rewarded routine behaviors and actions via Climate (Schneider and Rentsch, 1988). Climate possibly will differ within firms due to variances in individuals, workgroups membership, tenure, and positions of the individuals (Victor and Cullen, 1988). It is illustrated that there are numerous climate types in the organizations because of the alterations in their practices and procedures (Schneider, 1975). In addition, ethical climate mediated the relationship between the charismatic leadership factors of sensitivity to the environment/strategic vision and articulation, sensitivity to members' needs, and status quo, along with one OCB factor of civic virtue (Zehir et al, 2014).

Ethical climate has relationships with various important organizational occurrences such as organizational commitment (Cullen, Parboteeah and Victor, 2003), the satisfaction of employees on their jobs, and turnover intention (Schwepker, 2001), leadership (Ötken and Ceneci, 2012), organizational

citizenship behaviors (Williams and Anderson, 1991). However, there has been limited research on performance and productivity (e.g. Morris and Sherman, 1981). We, therefore, know rather little about the effects of ethics on employee performance. Based on the arguments specified directly above, we formulated the following hypothesis:

H2: There is a positive effect of a strong perception of ethical climate on employees' individual performance.

METHODOLOGY

People, productivity, and performance factors have increasingly become more important in today's intensely competitive business life. Businesses aim to find ways to be able to use the resources they have more effectively to be able to withstand competitive conditions, to make a difference, to increase their profitability and to maintain their sustainability for a long time. In this regard, the fact that the organizational climate is perceived to ensure the confidence and loyalty of employees are one of the factors affecting the performance of employees.

Organizational climate and ethical climate are important concepts that reveal the perceptions of employees expressing the psychological environment of the organization regarding the organization. The organizational climate has a great effect on the employees' enthusiasm and eagerness to work. Organizational climate and ethical climate are important concepts which are perceived by the employees giving identity to that business and which affect their behavior, by separating one business from others. We carry out a field research in an attempt to reveal the relationship between the employee's individual performance and the organizational climate and ethical climate due to the importance of these two concepts. Field research was conducted in food, restaurant and information sectors in an attempt to reveal the effects of organizational and ethical climate in these sectors on individual employee performance. The survey method was used in the field research.

The questionnaire was distributed to 200 white-collar employees working in organizations operating in the fields of food, information and restaurant in Istanbul, Turkey. The employees filled out the paper questionnaire. 22 questionnaires were eliminated from the survey since either the survey was not finalized or all questions are answered in the same way. Thus, the applicable amount of questionnaires was 178.

The survey method was selected as the most appropriate data collection tool regarding the subject. Demographic characteristics, task and working year of the person in the institution, gender, age and educational status were placed in the survey questions. The survey includes questions for the determination of organizational climate and ethical climate as well as demographic characteristics via the individual performance of employees.

Organizational climate questions were formed based on Schnake (1983) and Rogg et al.'s study (2001). The questionnaire included 25 questions. The ethical climate was measured with six questions adopted from the questionnaire developed by Schwepker (2001). Individual performance was measured with four questions from Büte's study (2011). In the questionnaire, we used a 5-point Likert scale that ranges from *strongly disagree* (1) to *agree strongly* (5).

ANALYSIS AND RESULTS

"Cronbach's Alpha," the internal consistency coefficient, was calculated to compute the scale reliability consisted of 35 items. The overall reliability of the scale was found to be very high as $\text{Alpha}=0.930$. The explanatory factor analysis method was applied to reveal the construct validity of the scale. Factor Analysis helps the researcher understand the relationships between concepts within the data set by revealing the main factors of a data set (the structure of the relationship) consisting of a large number of variables with relationships. For testing the factor analysis, it is anticipated that there is a relationship between the variables included in the factor analysis based on the Barlett's test which is one of the assumptions. It is accepted that there is a relationship between variables when Bartlett's value is $p<0.05$ (Büyüköztürk, 2009). As a result of the Barlett's Sphericity test ($p=0.000<0.05$), a relationship was

determined to be between the variables included in the factor analysis. KMO test is another assumption to test the factor analysis. KMO value is the value indicating that the sample (observation) size is sufficient for the measured variables. The sample number is considered to be sufficient if KMO value is greater than 0,60 (Büyüköztürk, 2009). As a result of the test performed (KMO=0.836>0,60), the sample size was found to be sufficient for applying the factor analysis. By selecting the varimax method in the factor analysis application, the structure of the relationship between factors was ensured to remain the same. As an outcome of the factor analysis, variables were grouped under eight factors, the total explained variance of which was 72.205%. It was understood that the scale was a valid, and trustworthy tool by the Alpha value found concerning the reliability and the explained variance value. The factor structure of the scale is shown in Table 1.

In the factor analysis evaluation of the scale; attention was paid to the fact that factors the eigenvalue of which is greater than one is addressed, that factor loads indicating the weight of the variables in the factor are high, and that factor loads are not close to each other for the same variables. The fact that the reliability coefficients and explained variance ratios of the factors constituting the scale were high indicated that the scale had a strong factor structure. The items included in the first factor were addressed as the ethical climate. The reliability of six items constituting the ethical climate factor was determined as Alpha= 0.896, and the explained variance value was determined as 11.111%. Items included in the second factor were addressed as participation. The reliability of five items constituting the participation factor was determined as Alpha= 0.877, and the explained variance value was determined as 9.655%. Items included in the third factor were addressed as balanced workload. The reliability of four items constituting the balanced workload factor was determined as Alpha= 0.876, and the explained variance value was determined as 9.104%.

Items included in the fourth factor were addressed as clarity. The reliability of four items constituting the clarity factor was determined as Alpha= 0.883, and the explained variance value was determined as 8.759%. Items included in the fifth factor were addressed as coordination. The reliability of 4 items constituting the coordination factor was determined as Alpha= 0.872, and the explained variance value was determined as 8.737%. Items included in the sixth factor were addressed as compliance. The reliability of four items constituting the compliance (compliance among employees) factor was determined as Alpha= 0.870, and the explained variance value was determined as 8.509%. The reliability of four items constituting the management support for innovation factor was determined as Alpha= 0.814, and the explained variance value was determined as 8.228%. Items included in the eighth factor were addressed as individual performance of employees. The reliability of four items constituting the individual performance of employees factor was determined as Alpha= 0.837, and the explained variance value was determined as 8.102%. While calculating the scores of the factors in the scale, factor scores were obtained by adding the values of the items in the factor and then dividing them by the number of items (arithmetic mean).

Descriptive statistical methods were employed while evaluating the data. The t-test was used to see the difference between the two groups in the comparison of quantitative data, Oneway ANOVA test was used in the comparisons of parameters between groups in the case of more than two groups, and the Scheffe's test was used in the determination of the group causing the difference. While the relationship between the dependent and independent variables of the research was tested by the Pearson correlation analysis, the effect was tested by the regression analysis. The findings obtained were evaluated in 95% confidence interval and 5% significance level.

Table-1. Results of the Factor Analysis of Organizational Climate, Ethical Climate and Individual Performance of Employees

Variable	Factor	Factor Loadings
Organization Climate (OC)		
Factor 1 of the OC: Participation (PA) %Variance: 11,111, Mean: 3,5933, Standard Deviation: 0,80735	PA-1	0,676
	PA-2	0,703
	PA-3	0,703
	PA-4	0,753
	PA-5	0,554
Factor 2 of the OC: Balanced Work-load (BWL) %Variance: 9,104, Mean: 3,7121, Standard Deviation: 0,84014	BWL-1	0,8
	BWL-2	0,896
	BWL-3	0,8
	BWL-4	0,761
Factor 3 of the OC: Clarity (CL) %Variance: 8,759, Mean: 3,7556, Standard Deviation: 0,90937	CL-1	0,775
	CL-2	0,896
	CL-3	0,846
	CL-4	0,723
Factor 4 of the OC: Coordination (CO) %Variance: 8,737, Mean: 3,5492, Standard Deviation: 0,86605	CO-1	0,751
	CO-2	0,794
	CO-3	0,73
	CO-4	0,739
Factor 5 of the OC: Compliance among employees (COM) %Variance: 8,509, Mean: 3,6770, Standard Deviation: 0,82356	COM-1	0,733
	COM-2	0,857
	COM-3	0,805
	COM-4	0,76
Factor 6 of the OC: Management Support for Innovations (MSI) %Variance: 8,228, Mean: 3,1306, Standard Deviation: 0,88066	MSI-1	0,659
	MSI-2	0,862
	MSI-3	0,756
	MSI-4	0,711
Ethical Climate (EC) %Variance: 11,111, Mean: 3,7013, Standard Deviation: 0,80735		
	ET-1	0,62
	ET-2	0,607
	ET-3	0,679
	ET-4	0,816
	ET-5	0,817
	ET-6	0,674
Individual Performance (IP) %Variance: 8,102, Mean: 3,6882, Standard Deviation: 0,91347		
	IP-1	0,698
	IP-2	0,876
	IP-3	0,824
	IP-4	0,772

According to descriptive findings of the study, 60 % of participants are between 20-35 years old rang and 40 % of participants are above 35 years old. 53,9 % of the sample was female and 46,1 % was male. 69,1 % of participants had associate, undergraduate and graduate degrees while 30,9 had a high-school degree. The job tenure of the participants ranged from 1 to 21+ years.

Table-2. Descriptive Findings

Characteristics	Groups	Frequency (n)	Percent (%)
Your role in this organization	Upper Management	31	17,4
	Lower Level Manager	49	27,5
	Employee / Officer	98	55,1
	Total	178	100
How long have you been working in this organization	0-1	45	25,3
	2-5	59	33,1
	6-10	30	16,9
	11-20	26	14,6
	21+	18	10,1
	Total	178	100
Gender	Man	82	46,1
	Woman	96	53,9
	Total	178	100
Age	20-25	39	21,9
	26-35	68	38,2
	36-45	54	30,3
	45+	17	9,6
	Total	178	100
Education	High school	55	30,9
	Associate Degree	42	23,6
	Undergraduate	58	32,6
	Graduate	23	12,9
	Total	178	100

Table-3. The relations between Organizational and Ethical Climate and Individual Performance of Employees

	Mean	Standard Deviation	1	2	3	4	5	6	7	8
1-Individual Performance	3,688	0,913	1							
2-Ethical Climate	3,701	0,807	0,385**	1						
3-Participation	3,593	0,857	0,195**	0,615**	1					
4-Balanced Work-load	3,712	0,84	0,201**	0,297**	0,425**	1				
5-Clarity	3,756	0,909	0,255**	0,306**	0,366**	0,480**	1			
6-Coordination	3,549	0,866	0,204**	0,467**	0,507**	0,420**	0,279**	1		
7-Uyum	3,677	0,824	0,152*	0,402**	0,429**	0,271**	0,208**	0,506**	1	
8-Management Support for Innovations	3,131	0,881	0,164*	0,477**	0,451**	0,232**	0,155*	0,358**	0,141	1

Correlation analysis among Individual Performance (1), Ethical Climate (2), and Organizational Climate (3-7). N= 178; **p<0.05.

Table 3 presents the correlations analysis. Regarding the employees participated in the research; their perception level of individual performance was found to be high ($3,688 \pm 0,913$), their perception level of ethical climate was found to be high ($3,701 \pm 0,807$), and their perception level of organizational climate was found to be high (“participation”: $3,593 \pm 0,857$, “balanced workload” $3,712 \pm 0,840$, “clarity” $3,756 \pm 0,909$, “coordination” $3,549 \pm 0,866$, “compliance” $3,677 \pm 0,824$, “support for innovation” $3,131 \pm 0,881$). As it can be seen from the Table 3, a statistically significant relationship was found between Ethical Climate, Participation, Balanced workload, Clarity, Coordination, Compliance and Support for Innovation and the individual performance of employees. The regression analysis results between the individual performance of employees and organizational climate and ethical climate are shown in Table 4.

Table-4. The Effects of Organizational Climate and Ethical Climate on Individual Performance of Employees

Individual Performance		
Independent Variable	β	T
Constant	1,696	4,097
Ethical Climate	0,456	4,226
Participation	-0,147	-1,391
Balanced Work-load	0,069	0,737
Clarity	0,149	1,818
Coordination	0,029	0,299
Compliance	-0,012	-0,125
Management Support for Innovation	-0,013	-0,145
F	5,356	
Model (p)	0	
R²	0,147	

The regression analysis which was performed to determine the relationship between Organizational Climate and ethical climate and employee performance was found to be statistically significant ($F=5,356$; $p=0,000<0,05$) as it is seen in Table-4. Its relationship (explanatory power) with the variables of ethical climate, participation, balanced workload, clarity, coordination, compliance and management support for innovation was found to be weak as the determinant of employees' individual performance perception level. ($R^2=0,147$) Employees' ethical climate level increases the individual performance level of employees ($\beta=0,456$). Employees' participation level does not affect the individual performance level of employees ($p=0,166>0,05$). Employees' balanced workload level does not affect the individual performance level of employees ($p=0,462>0,05$). Employees' clarity level does not affect the individual performance level of employees ($p=0,071>0,05$). Employees' coordination level does not affect the individual performance level of employees ($p=0,765>0,05$). Employees' compliance level does not affect the individual performance level of employees ($p=0,901>0,05$). The level of management support for innovation does not affect the individual performance level of employees ($p=0,885>0,05$).

Table 5. Hypothesis Supported or Not Supported

HYPOTHESES	Supported
H1: There is a positive effect of a strong perception of organizational climate on employees' individual performance.	Not Supported
H1a. The strong perceptions of the dimensions of organizational climate (participation, balanced work-load, clarity, coordination, compliance, and management support for innovation) have a positive effect on employees' individual performance.	Not Supported
H2: There is a positive effect of a strong perception of ethical climate on employees' individual performance.	Supported

DISCUSSION

There are many factors affecting the evaluation in the realization and measurement of employee performance as efficient or inefficient. The relationship of organizational climate factors such as participation and balanced workload with the individual performance of employees was found to be weak among people reached by the survey applied to the participants. It can be concluded here that the factors triggering and affecting the climate in organizations where the survey has been conducted are the absence of overtime application, the promotion of teamwork, the fact that managers have developed a warm friendship with subordinates instead of a patronizing and oppressive relationship, confidence in employer, conveying future objectives to workers in a clear way, whether the employer has behaved in accordance with the laws of occupational accident and occupational diseases in fields of activity where occupational accidents are often encountered, worker's health and safety training, increasing the productivity of workers and supporting with the training that will contribute to personal development.

In addition to above arguments, communication channels and methods may not be appropriate to get the best performance from the employees, because it is only possible to when the communication channels and methods are managed very well (Yenen, Öztürk, and Kaya, 2014). Additionally, Patterson, Warr, and West (2004) have asserted that studies in general measure climate solely through the managers' lenses (e.g. Gordon and DiTomaso, 1992; Denison and Mishra, 1995) and this may produce results vary from those investigating a broader employee sample. Patterson, Warr, and West (2004) have explained that confusing explanations may be made in that case, and merging the two kinds of study in a general review would yield unfitting inferences. They have added climate perceptions of managers would be more narrowly related to firm efficiency than would those of non-managers. Patterson, Warr, and West (2004) have discovered that managers' evaluations of most facets of their organization's climate are considerably more positive than those of non-managers. They have also argued that early questionnaires be clearly aimed for completion by all kinds of employees. One of the studies that found no relationship between job satisfaction and climate is Deshpande's (1996) study. Deshpande (1996) have argued that this situation may be because of expecting employees to sticky commit to their respective organizations' procedures and rules. This might be true for our study as well.

In this study, a strong relationship was found between ethical climate and individual performance. The performance of the employees and their motivations are main factors that interest both the employee and the organization, and affect job satisfaction. They guide employees to achieve their intentional goals. Organizations must fairly act and behave equally to all the employees when evaluation their performance (Kaya and Ceylan, 2014). If employees believe that their organizations are acting fairly, they might be satisfied with their organizations and show greater performance on their jobs. Monitoring, correcting and discouraging unethical behavior necessitate the creation of an ethical climate by putting code of ethics in force, policies and directives, and thus, this may have other benefits such as greater satisfaction from the performed job, robust commitment to organization and lesser intentions for turnover (Schwepker, 2001) leading to employees perform better on their jobs. Therefore, necessary activities should be done to form an ethical climate (Schwepker, 2001).

One of the most important reasons affecting the productivity of employees is the personal rights. In this regard, confidence in employers and making complete payment of premium which is paid to the social

security institution are important in the retirement stage. Moreover, the fact that wages are regularly paid and without disruption, that overtime wages are reflected if overtime is applied and the side social benefits provided to people (private health insurance, individual retirement, etc.) are also important. Under competitive conditions in which working conditions have increasingly become difficult, people's competence and education levels affect their perspective on the organization and their perceptions. In addition to worker's personal educational level, competencies and work experience gained from the previous workplace, perception and commitment to the subsequent organization where he/she perform a task are the factors that affect the development and increase of perspective on the organizational climate in the perception of the company. The most important problem of today's modern cities is transportation. For this example, transportation in Istanbul may affect the productivity and organizational commitment of employees who have trouble with transportation, who do not have transportation facilities with company cars or services and who do not work in jobs closer to their residential address.

CONCLUSION

The concept of organizational climate is not a concept that describes physical events. It is a multidimensional concept that describes how organization employees perceive the organization. The human factor plays an important role in its foundation because people factor is one of the basic building blocks that form the organization and lead the organization to success. In today's competitive business life conditions, the human factor is the most vital factor that leads the organization to be able to keep up and make a difference by standing out amongst its competitors. Therefore, how employees perceive the working environment and the future objectives of the workplace is very important. The positive motivation of employees and the positive development of their perception of the organization will lead them to make positive contributions to their work and company. There are internal dynamics that play a crucial role in the formation of employees' organization perceptions.

When an organization's mission, vision and strategic purposes are clear and understandable, this causes employees to understand the organizational objectives better, to work by these objectives and to have increased motivation. Therefore, the fact that the concepts such as mission and vision are notified to people in written is important. The establishments of appropriate reward systems and appropriate performance evaluation systems are very important to create an organizational climate that can cause a healthy and positive motivation in employees, and to have personnel with successful superior-subordinate relationships in the organizational structure. For practical implications for managers, we suggest that the companies should determine ethical standards to form ethical perceptions of employees, make employees sure that works are performed based on ethical standards, give importance to communication channels, provide a safety working environment to be able to make their employees perform better.

One of the study's limitations is the fact that just 178 people in the center of Istanbul participated in the research through the survey. The research population can be expanded by conducting a greater number of surveys in various cities. Another limitation is the fact that the survey method was used. Using qualitative data collection techniques such as interview or case analysis apart from the survey method in further studies will ensure obtaining richer results. Finally, a generalization of the results can be achieved by testing this model with different scales.

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