The Effect of Psychological Climate on Work Engagement with Organizational Values

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Abstract
The purpose of this paper is proposing a model to determine the effect of psychological climate on work engagement with organizational values. The goal of the implementing psychological climate with work engagement mediates the relationship between values adoption in organization. Relevant to the issues above, this study intends to generate a new framework for further research pertaining to adoption of their hotel’s value in organization relationships. A review of literature was conducted to propose the theoretical framework based on the recognized variables. In addition, efforts by hospitality industry managers to engage their employees are likely to result in measurable improvements to the bottom line. Devoting time and energy to acquaint new employees with the company values, brand strategy, and the ways in which their role directly affects business success will focus them in a common direction and increase motivation in their daily efforts. Furthermore, understanding which psychological climate can enhance quality of aligning employee across organization’s values identity as result of current study is most significant. It advances knowledge and understanding of how key variables which may affect in adoption of organizational values in hotel Industry in Kuala Lumpur, Malaysia and it may also be used to assist organizations in formulating strategies to increase organization values in long term. The most significant result of current paper will present novel experience in four and five stars hotels for first time within academic studies. Finally, this study is one of the first to highlight the effect of psychological climate on work engagement and organizational values.

Keywords psychological climate, work engagement, organizational values

1. Introduction
This paper arises from the need to adopt values by encouraging employees in large-scale Malaysian hotels. Encouraging employees to adopt organizational values can be challenging. For example, Clark et al. (2009) emphasized the failure of employees to adopt values as being prevalent in services such as hotels ‘where employees are often required to make decisions and customise service on the fly’ (Clark et al., 2009, p. 4).

The Job Demand Resource model suggests that employees’ perceptions of many positive and supportive aspects of work environment are associated with employee engagement (JungHoon & Chihyung, 2015). In other words, if psychological climate involves positive perceptions of job resources in the work environment, employees may become engaged because the positive appraisal of the work environment itself evokes cognitive and affective states like satisfaction, identification with the job, and motivation, inspiring employees to become more willing to dedicate themselves to their work (Brown & Leigh, 1996; Meijman & Mulder, 1998). Companies that focus on cultivating job engagement have seen firsthand the positive impact on employee retention, company performance and, ultimately, customer loyalty and satisfaction (Othman, 2012). Simply stated, employees have learned that engaged employees have tremendous influence in positively affecting value (Bakker & Schaufeli, 2008).

Creating an engaged workforce starts with understanding the key factors that motivate employees and contribute to greater engagement, and ultimately improved values. In a study by Right Management (2012) these factors were shown to include: learning and development opportunities, culture, senior leadership, and recognition and rewards. Among these factors, carefully implemented recognition and reward programs can substantially accelerate progress in creating an engaged
workforce as well as in helping a company achieve its strategic goals, including improved values in organization Towers Perrin (2009).

Companies that choose to proactively connect with their employees’ core needs, that cultivate engagement, and that support their efforts with carefully planned recognition and reward programs can awaken the potential of their employees and power their brands to new levels (Bakker & Schaufeli, 2008). In this way, employee engagement and recognition and reward programs can become a powerful, legitimate strategy for driving business growth, profitability, and creating greater values. Besides that, in study by Raduan, (2008) in Malaysia findings shown significant differences between dominate ethnic organizations in their work values in terms of work engagement, loyalty, respect for hierarchy, harmony, preserving face and spirituality.

This paper provides important practical implications for managers and industry. The findings from this empirical study of employee engagement may provide significant insights for managers who are challenged to retain employees and to foster organizational citizenship behaviours. It also could be critical in the competition for talent (Boswell et al., 2008). Moreover, this study provides insights as to why it is important to select employees with high level of psychological capital and to create and maintain optimal service climates for employees. The study findings reveal that it is not only important, but also necessary, to focus on positivity in the workplace through selection, training, and development of employees as well as current and future managers.

This current paper is opened through the exploration of the literature with respect to the instinct of values, psychological climate and work engagement as consequences of organizational values, the research objectives driving this study are as follows:

1) To investigate the influence of psychological climate on organizational values.
2) To investigate the influence of psychological climate on work engagement.
3) To investigate the influence of work engagement on organizational values.
4) To investigate the influence of psychological climate on organizational values as mediated by work engagement.

The proposed model is designed with psychological climate (internal service and communication) as independent variable. Work engagement plays role as mediator; whereas organizational values is a dependent variable. The following discussion provides an overview of variables and conclusion as well.

2. Psychological Climate
Psychological climate is a multidimensional construct (James & James, 1989; Koys & DeCotiis, 1991). James and James (1989) proposed a hierarchical model of psychological climate consisting of
four second-order factors: (1) role stress and lack of harmony, (2) job challenge and autonomy, (3) leadership facilitation and support, and (4) work group cooperation, friendliness, and warmth. They suggested that these four higher-order dimensions loaded reliably on a single General Psychological Climate factor (PCg) to explain variations in many features of an organization, thus representing an overall appraisal of the work environment as personally beneficial or detrimental to the employee’s sense of well-being (James et al., 1990). Also, Koys and DeCotiis (1991) discovered more than 80 separately labeled dimensions of climate from extant literature and used three criteria to identify dimensions of psychological climate. They found that eight sub-dimensions including support, recognition, fairness, innovation, autonomy, trust, cohesiveness, and pressure may represent the overall construct of psychological climate (Koys & DeCotiis, 1991). Additionally, Brown and Leigh (1996) operationalized six dimensions of psychological climate: the extent to which management is perceived as flexible and supportive, role clarity, freedom of self-expression, employee’s perceived contribution toward organizational values, adequacy of recognition received from the organization, and job challenge. They suggested that each of these dimensions indicates an employee’s perceptions of the organizational environment as they relate to levels of psychological meaningfulness and safety (Brown & Leigh, 1996).

In study by Parker et al. (2003) the effects of psychological climate perceptions on performance may be mediated by employee work attitudes and motivation. For example, Kopelman et al. (1990) posited that the relationships between psychological climate and ‘salient organizational behaviours’ such as performance, citizenship, and attachment (i.e., tenure and attendance) are mediated by cognitive and affective states such as individuals’ work motivation, job satisfaction, commitment, and job involvement.

3. Work Engagement
A significant part of the research on engagement has been inspired by the definition proposed by Kahn in 1990 (eg, Rothbard, 2001). Kahn (1990) defined engagement in terms of a psychological state as ‘the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves cognitively, physically, and emotionally during role performances’ (p. 694). In his qualitative study of summer camp counsellors and architects, Kahn explored the workplace conditions in which people engage with or disengage from their organization. He found that engaged individuals express and fully involve their sense of self in their role with no sacrifice of one for the other. Kahn proposed that engaged individuals are prepared to invest significant personal resources, in the form of effort and time, to the successful completion of their task and that engagement is at its greatest when an individual is driving ‘personal energies into physical, cognitive and emotional labours’ (p. 700).

Kahn was the first to provide a foundation for the theoretical development of employee engagement (Baltes, 2009; Kim et al., 2009; Shuck & Wollard, 2010). According to Kahn (1990), engagement at work is the degree of physical, cognitive, and emotional involvement in a work role, how much a worker puts into a job and work interactions, and the personal connections with work and co-workers (Ferrer, 2005). Employees who exhibit engagement are physically involved in their tasks, are cognitively alert and attentive, and are emotionally connected to their work and to others in the workplace.

Studies on work engagement have demonstrated a positive relationship with various work-related outcomes and organizational performance, such as low burnout (Schaufeli et al., 2002), low turnover intention (Saks, 2006), low work stress (Britt et al., 2005), better employee productivity, financial performance, organizational commitment, organizational citizenship behaviour and customer satisfaction (Richman, 2006; Saks, 2006).

4. Organizational Values
According to Krueger (1996a), values are: “a set of beliefs that influence the way people and groups behave; effective values are deep rooted; they are the “soul” of the organization; and core values help form a social psychology that can support or overcome individual psychology”. Krueger goes on to list
some of the reasons why core values are significant to the successful operation of any organization:
They influence behaviour, communicate what it is really believe, provide a moral compass and
continuity through change, help decision making throughout the organization, as well as decentralize
decision making. Most core values come from the founders of an organization but are integrated into
all levels and functions of the organization. The values, or perceptions thereof, are the driving force of
an organization. In values driven organization, the company’s strategy, mission, vision, planning, and
everyday decision-making are based on its core values.

When employees ‘live’ their brand values, customer-brand perceptions and identification with
the organization are augmented (Urde, 2003, 2009; Yaniv & Farkas, 2005). In addition, strong brands
act as ‘employer brands’ (Barrow & Mosley, 2005; Maxham & Netemeyer, 2003) which attract new
like-minded employees and this in turn perpetuates the likelihood of congruency of values. Moreover,
when employees believe that their organization has attractive values, they become brand advocates
(Kimpakorn & Tocquer, 2009). Conversely, when employees do not believe in the brand they become
cynics, resulting in diminished customer belief in the brand, and reduced customer loyalty (Yaniv &
Farkas, 2005).

When discussing the significance of organizational values for organization it is also important
to present how these organizational values impact worker performance. Several researchers have
discussed this phenomenon; Berkhout and Rowlands (2007) have made a research on individual and
organizational values among employees of organizations that specialize in alternative energy sources
(solar electricity, smaller hydro-electrical plants, wind electricity), they have determined, that those
organizations that focus their selection procedure on matching personal values with organizational
values tend to be essentially more successful in their work because of the fact that employees have a
higher level of work engagement. Some later studies in the similar conducted by Kaye and Jordan-
Evans (2009) have even confirmed that some individuals even observe the significance of a good
match between organizational and values to be more important than the income they get. This clearly
shows that people have started to value more how they feel in the organization then how much they get
paid for the work they do (Gorenak & Košir, 2012).

5. Conclusion
In this research, an attempt was made to conceptually clarify the implementation of psychological
climate on making tough relationship with organizational values. In this paper, we proposed a model
that describes the connections between psychological climate, work engagement and organizational
values. Psychological climate that is explained based on, cognitive, motivational and affective
employee has been employed in this research. The highlight point in this study is the application of this
model to determine the impact of work engagement as mediated between organizational values and
psychological climate. Hopefully, the findings from this research will be useful for hotel values and
their brand value are now being utilized as a means to rebuild trust, construct strong connections and
engender customer loyalty. It is critical that building a differentiated and effective service requires the
commitment of all employees over the service organization. As the quality of service is a key
differentiating element between competitors, committed, high quality staff is discriminating, in light of
the fact that these employees embody the service quality in their service connections. Highly
committed and engaged employees are more likely to satisfy their value guarantees in light of the fact
that they are emotionally connected to the increase organization values. Also, this paper provides
insights as to why it is important to select employees with high psychological climate, create and
maintain an optimal internal service and communication for employees. Employees with high
psychological capital and a supportive climate for service were more engaged and satisfied at work
suggesting an exchange relationship. Thus, organizations should be aware of how to better foster their
service climate to increase employees’ perceptions of their environment and engagement. Specifically,
organizations should focus on an employees’ resources, customer orientation, and rewards to create
and maintain a supportive environment.
References


