THE EFFECT OF ORGANIZATIONAL CLIMATE AND JOB SATISFACTION ON EMPLOYEES' PREPAREDNESS IN THE FACE OF CHANGE IN TEHRAN UNIVERSITY OF MEDICAL SCIENCES

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Abstract - This study is aimed to investigate the role of organizational climate and job satisfaction on the readiness of staff for change at the University of Medical Sciences in Tehran. This was a descriptive survey which its population was included all employees of Tehran University of Medical Sciences. A sample of 124 people was randomly selected. In order to gather information, a standard questionnaire was used based on the Likert scale and the collected data was analyzed by PLS software. After testing the validity and reliability of questionnaire, the structural model has been used to investigating a dozen hypothesis proposed in the study, five was approved and five hypothesis is refuted. Also among three main hypotheses, 2 hypotheses were confirmed. The results showed that job satisfaction and organizational climate are affecting both the readiness of employees to change but job satisfaction had no significant effect on organizational climate. The study hypotheses were identified among the components of job satisfaction; job satisfaction, pay satisfaction and the satisfaction of managers are effective on employee readiness for change. And among the components of organizational climate, support and reward are effective on employee readiness for change.

Keywords - Organizational climate, job satisfaction, employee readiness for change, Tehran University of Medical Sciences

I. INTRODUCTION

Organizational transformation and change are usually discussed when the status quo of an organization (including equipment, procedures, personnel, and facilities) cannot meet the needs and requirements of the environment or it is evaluated weak. Under these circumstances, organizational change can be raised as a serious solution (Fronda et al., 2006). It can be acknowledged that change and development are an integral and essential part of any organization. This necessity has made organizations follow periodic change plans and programs throughout the organization in order to adapt themselves to the environmental conditions and correct weaknesses (Ben-Gal and Tzafrir, 2011). In this regard, the staff and members of the organization, who are acting as the most important stakeholders, may resist changes to protect their own interests because they think that new conditions may be to their detriment. They feel insecure about the change and think that they would lose their interest because organizational improvement programs may lead layoff, jeopardize their interests, and even change the existing procedures for the distribution of power within the organization. This is one of the main reasons for the failure of organizations to implement and apply changes. Hence, studying the factors affecting the preparedness of employees in the face of change and transformation is of high importance and necessity. The present research aims to study some of the relevant factors. Organizational climate is one of the factors that its effect on the preparedness of employees for implementation of change programs has been greatly emphasized in recent years. Organizational climate is a manifestation of culture and a combination of feelings, attitudes, and behaviors shaping organizational life. In fact, organizational climate refers to the employees' perceptions of fundamental elements of the organization. Organizational climate, which is based on individual outlooks, changes very quickly and affects employees' behavior. According to researchers, organizational climate is one of the factors influencing employees' behavior. However, few studies have been conducted on the effect of this variable on the preparedness of employees in the face of change. Therefore, the first research question is that whether organizational climate affects the preparedness of employees in the face of change or not.

Another variable which seems to have an impact on improving the preparedness of employees in dealing with the changes is job satisfaction. The term "satisfaction" refers to a set of one's emotional and psychological states which is formed under the influence of their experiences compared to their previous expectations (Deng et al., 2010). Experts argue that job satisfaction is one of the key factors reducing resignation and desertion. The employees who have a higher level of satisfaction usually are more loyal and more willing to continue their activities within the organization. In addition, it has been acknowledged that job satisfaction affects employees' behavior, reduces violations, and improves employees' motivation (Gunlu et al., 2010). It is evident that job satisfaction affects a wide range of organizational factors. However, the effect of job satisfaction on the preparedness of employees in the face of changes has been less studied and it is not clear whether job satisfaction can improve the

preparedness of employees for dealing with changes or not.

II. THEORETICAL FOUNDATIONS

According to various generally-accepted theories on the measurement of different variables in the present study, the models proposed by Claiborne et al. (2013), Permarupan et al. (2013), and Chatzoglou et al. (2011) in order to evaluate preparedness for change, organizational climate, and job satisfaction, respectively. The research conceptual model was developed as shown in Figure 1.

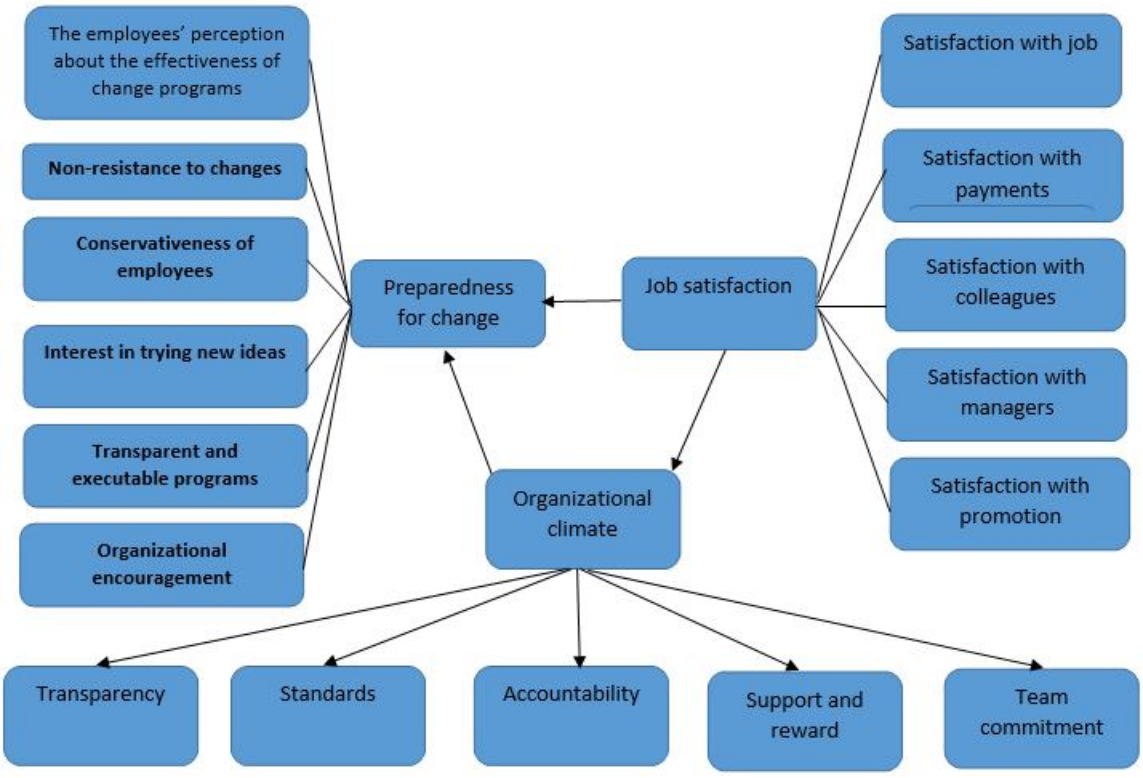


Figure 1: Research conceptual model

III. RESEARCH HYPOTHESES

The Research hypotheses were as follows:

- Job satisfaction affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Satisfaction with payment affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Satisfaction with colleagues affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Satisfaction with managers affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Satisfaction with promotion affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Team commitment affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Support and reward affect the preparedness of employees for change in Tehran University of Medical Sciences.
- Accountability affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Standards affect the preparedness of employees for change in Tehran University of Medical Sciences.
- Transparency affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Job satisfaction of employees affects organizational climate in Tehran University of Medical Sciences.

IV. RESEARCH METHODOLOGY

The present research was an applied, descriptive survey. The statistical population included all employees of Tehran University of Medical Sciences (N=184). According to Cochran formula at an error level of 5%, the sample size was determined to be 124. The participants were selected randomly. A questionnaire developed based on a Likert scale was used for data collection.

Table 1: Variables, components, references, and reliability of the questionnaire items

Variable	Components	Cronbach's alpha	Reference
Preparedness for change	Employees' perceptions of the effectiveness of changes	0.758	Claiborne et al. (2013),
	Non-resistance to change	0.815	
	Not being conservative	0.769	
	Interest in testing new ideas	0.749	
	Transparent and executive programs	0.812	
	Organizational encouragement	0.855	
Organizational climate	Team commitment	0.760	Permarupan et al. (2013),
	Support and reward	0.846	
	Accountability	0.742	
	Standards	0.771	
	Transparency	0.798	
Job satisfaction	Satisfaction with job	0.773	Chatzoglou et al. (2011)
	Satisfaction with payment	0.802	
	Satisfaction with promotion	0.709	
	Satisfaction with colleagues	0.776	
	Satisfaction with managers	0.764	

4.1. Research findings

Structural equation modeling in PLS was used for data analysis. Structural equation modeling includes a number of statistical methods for network estimation of causal relationships which is defined based on a theoretical model and relates two or more complex and latent concepts to each other, each of which measured by a number of observable indicators. The aim of structural equation modeling is to determine that to what extent the theoretical model is supported by typical data.

4.2. The coefficient of determination:

The coefficient of determination is the main criterion for evaluating endogenous latent variables in the structural model. The value of the coefficient of determination is always between 0 and 1. The results of PLS algorithm have been shown in Table 2.

Table 2: Values of coefficient of determination

Variables	Coefficient of determination
Satisfaction with promotion	0.521377
Satisfaction with colleagues	0.278435
Satisfaction with job	0.697541
Satisfaction with managers	0.406579
Satisfaction with payments	0.572915
Job satisfaction	-----
Organizational climate	0.300916
Support	0.595567
Commitment	0.550480
Standards	0.469853
Transparency	0.500364
Responsibility	0.506030
Preparedness for change	0.227307

As it can be seen in Table 2, the coefficient of determination values of all the components and variables vary between 0.33 and 0.67, that are defined as moderate.

4.3.Path coefficients:

The numbers displayed on the path between constructs are called path coefficients which denote the standardized beta in the regression or correlation

coefficient between two constructs. Figure 2 depicts the path coefficients for the research model.

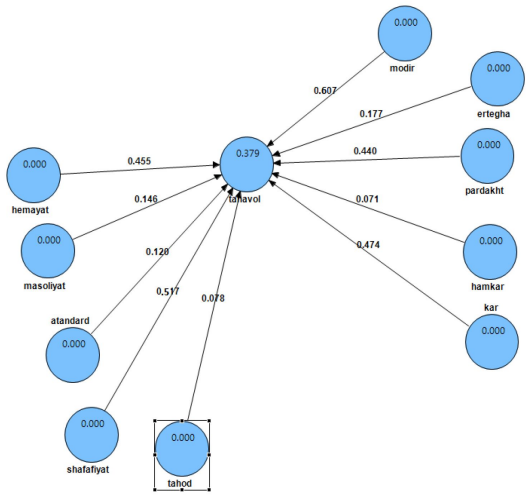


Figure 2: Path coefficients for the research model

Each path coefficient in the PLS structural model can be equated to a standardized beta coefficient in the ordinary least squares regression. The structural paths that their sign agrees with the algebraic symbol of previous assumptions provide an experimental validation to the theoretical assumptions about the relationship between latent variables. The paths that their algebraic symbols are contrary to the expectation do not confirm previous assumptions. Basically, the direct paths of hypothesizing should be evaluated at first and then other analyses, including the middle and moderating effects can be followed. Therefore, the whole direct and indirect effects of a certain latent variable on another variable should be evaluated and interpreted, not only its direct effect, even if the desired direct effect is very significant. The path coefficients should be evaluated in terms of sign, size, and significance. Positive path coefficients indicate positive effects (direct relationships between two constructs) of one construct on another one, while negative coefficients suggest negative effects (inverse relationships) of one construct on another one. In the present study, all path coefficients were obtained positive.

The last criterion for model evaluation, which is addressed here, is t-value. This index helps us to answer the research questions. The path coefficients should be evaluated in terms of sign, magnitude, and significance. Positive path coefficients indicate positive effects (direct relationships between two constructs) of one construct on another one, while negative coefficients suggest negative effects (inverse relationships) of one construct on another one. In the present study, all path coefficients were obtained positive. In terms of magnitude, the impact factor of a construct on another one decreases with the increase in the number of indirect paths. However, to assess the significance of path coefficients, t-value should be used.

4.4.Statistical t-value:

After running the algorithm in PLS, statistical t-values will be obtained for the paths in the model (Figure 4).

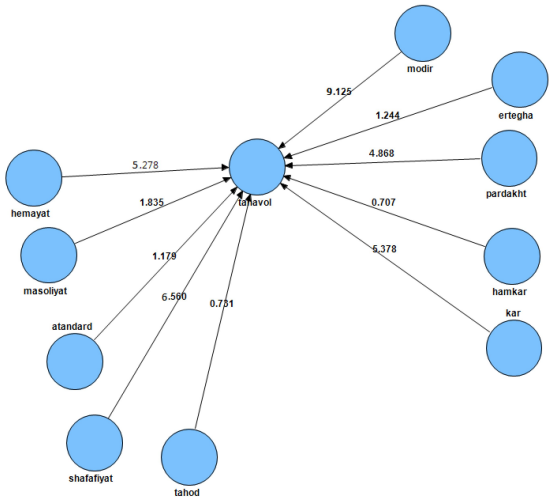


Figure 4: t-values for paths of the model

As it can be seen in the figure above, t-value has been calculated for the model paths. To confirm a hypothesis at a confidence level of 95%, 99%, and 99.99%, the minimum t-value should be 1.96, 2.52, and 3.32, respectively. According to the table above and what mentioned before, t-value of the variables of satisfaction with job, satisfaction with managers, satisfaction with payments, support, and transparency is greater than 1.96. Therefore, the hypotheses related to these variables are confirmed. In other words, it can be concluded that, at a confidence level of 95%:

- Job satisfaction affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Satisfaction with payments affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Satisfaction with managers affects the preparedness of employees for change in Tehran University of Medical Sciences.
- Support and reward affect the preparedness of employees for change in Tehran University of Medical Sciences.
- Transparency affects the preparedness of employees for change in Tehran University of Medical Sciences.

CONCLUSION AND RECOMMENDATIONS

The study findings show that satisfaction with job affects the preparedness of employees for change. It seems that if the employees are satisfied with their

working conditions, they will be less concerned with the results of changes. Generally, satisfaction with working conditions causes employees feel more committed to the organization and be more prepared when development programs are implemented. The results have also shown that satisfaction with salary and bonus reduces the employees' concerns about the future and job security. Satisfaction with salary also increases their sense of commitment and loyalty to the organization and their willingness to participate in the advancement of organizational goals. As a result, they will probably make more efforts in line with the better implementation of development programs.

According to the results, satisfaction with colleagues has been reported effective in the preparedness of employees for change, while satisfaction with managers plays an effective role in this regard. Satisfaction with managers makes the employees more obedient their superiors and probably better implements their development programs. Satisfaction with managers also increases the employees' trust and confidence in their superiors and makes them better understand the need for change. However, none of these cases were true about satisfaction with colleagues. The findings also indicated that satisfaction with the promotion was not effective in improving the preparedness of employees for change. This may be due to the employees' concerns about their future position after the implementation of change programs.

Among the components of organizational climate, team commitment, standards, and accountability were not effective in the preparedness of employees for change, while support and transparency were effective in this regard. It seems that if an organization has a transparent organizational climate and managers refrain from hidden behaviors, employees can easier trust in the necessity of change programs. Transparency also can reduce the employees' concerns about their job security after the implementation of change programs. The results suggested that a support-based organization climate can improve the preparedness of employees for change. It seems that the perceived support of the employees can reduce their concerns about the knowledge and skills required for coping with new conditions. In addition, it ensures the employees that they will be supported if they cannot quickly adapt themselves to the new conditions. Generally, organizational climate is considered an effective factor in improving the preparedness of employees for change.

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