The Organizational Climate and its Impact on Business Competitiveness: Perception of Colombian SMEs

Ignacio Barrios Parejo
Universidad del Atlántico, Facultad Ciencia Económicas, Programa Administración de Empresa, Colombia

Hugo G. Hernandez Palma
Universidad del Atlántico, Facultad Ciencia Económicas, Programa Administración de Empresa, Colombia

Leonardo Niebles Nuñez
Universidad del Atlántico, Facultad Ciencia Económicas, Programa Administración de Empresa, Colombia

William Niebles Nuñez
Universidad de Sucre, Programa Administración de Empresa, Colombia

Alma Rodero Acosta
Universidad del Atlántico, Programa Contaduría Publica, Colombia

Copyright © 2018 Ignacio Barrios Parejo et al. This article is distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Abstract

The organizational climate has always been considered an essential component in the structure of any company. However, at present, its protagonism is greater because the theories in this field indicate that it has a strong impact on issues such as competitiveness and productivity. In order to analyze the perception of entrepreneurs
on this issue, the results of a descriptive research based on inferential tools are presented below, which sought to establish the most important aspects in this area in a group of entrepreneurs in the city of Barranquilla. The final reflections point to approaches that show the work climate as an element of high influence on corporate results.

**Keywords**: Work Climate, Competitiveness, Business, Perception

1 Introduction

For some years now, when economic liberalization led to the trade integration of many countries, the search for market leadership and the creation and maintenance of competitive advantages has become the central theme of the strategic planning of recent organizations. Today, competition is not located in the regional or national context, but has extended its reach to companies at the international level, whose nature, structure or commercial interests are often unknown. Michael Porter is one of the most recognized authors in studying this subject; in 1980 he began to develop the concept of competitive strategy, which he defines as actions that seek to establish a position within the company's sector of activity, in order to defend itself from the competitive forces of the market, known as the "5 Porter's forces" and which are composed of: rivalry among existing companies, potential income from other companies, threat of substitute products, negotiating power of clients, and negotiating power of suppliers [1].

Likewise, this author points out that once competitive forces have been analyzed, it is possible to employ three types of strategies to successfully face market conditions, such as total cost leadership, differentiation and focus; the first two applicable to any environment, and the last one valid for a particular segment [2]. When Porter goes deeper into the way of developing the strategies proposed, he goes into the concept of the Value Chain, I understand the company as a set of activities that, rationally integrated in cost and efficiency, can make a difference with its rivals. In this analysis, human resources are understood as a resource of great value in the contribution of competitive advantages of the organization to the market in which it is developed. In this way, Porter considers it necessary to work on primary activities such as internal logistics, operations, external logistics, marketing and sales and after-sales services; and on support activities such as company infrastructure, human resources management, technology development and supply processes [2].

On the other hand, in 1993, Treacy and Wiersema studied the competitive strategies used by large companies and identified that most of them work on narrow-focus strategies, specializing in specific issues, which is why organizations must work in three valuable disciplines: operational excellence, product leadership, and customer intimacy [3]. In 2005, Chan Kim & Renée Mauborgne launched the concepts of blue and red oceans, implying that the former are markets to be discovered or have
been little explored, and the latter are those where there is high competition and rivalry; hence the authors propose to look for blue oceans where to go first or achieve faster and more effective leadership in order to take advantage of the conditions of a nascent market [4].

Today we are talking about globalization 3.0, a concept defined by Tom Friedman, who emphasizes that today's markets will not only be managed by individuals, beyond countries or companies, but also by groups of people of all kinds, with diverse interests interconnected throughout the world by the means of ICTs and the Internet. It also highlights that companies will seek sustained competitiveness, beyond one where unlimited growth is sought, so that strategies will be aimed at generating opportunities to improve the living conditions of human beings without distinction, considering the planet as if it were a single country [5]. According to Porter [6], competitive strategies must be established considering two fundamental aspects, the attractiveness of markets in terms of profitability and the factors on which they depend; and the competitive position within a sector, in any case recognizes that the two aspects are dynamic and constantly changing, so companies must remain updated on their environment and their ability to compete in it.

Today, human resource management is a distinctive approach to employment management, as it seeks to gain a competitive advantage through the strategic deployment of a highly committed and capable workforce, through the use of a range of cultural, structural and personnel techniques [7]. In this sense, it is important to understand two fundamental concepts in human resource management; the organizational climate is related to the meaning shared by all members of the organization about the events, policies, practices and procedures they experience, as well as the behaviors they see as rewarding, supported and expected; that is, the organizational climate is an abstraction that represents the cognitive structuring of a whole from many observations and experiences [8].

On the other hand, the organizational culture is defined as a pattern of shared basic assumptions learned by the organization, while solving its problems of external adaptation and internal integration, which have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel about these problems [8]. Many authors have devoted themselves to studying organizational change, concluding that it is related to organizational culture in one way or another; for this reason, culture is seen as the key to changing something that is crucial in organizations [9].

Hernández, Méndez, & Contreras [10], have put together several definitions that provide a more complete picture of organizational culture: a unique configuration of norms, values, beliefs, assumptions, forms of behavior, and characteristics of the interactions of individuals in performing the work; set of meanings shared by a group of people; a pattern of basic premises shared by a group of people from their experiences in solving external and internal problems; the invisible, implicit and
informal awareness of the organization that serves to guide the behavior of its members; relatively stable and sustained values, beliefs and attitudes that remain within the organization.

According to what we have seen, the organizational climate is a manifestation that represents the conditions in which the organizational culture is developed [5], since the former is the result of the common assessments of the personnel, vis-à-vis the organization in which they work, regarding their work environment [11]. Given that the organizational climate depends fundamentally on the perception of employees, there is no doubt that the leader's behavior influences his followers, being the main responsible for the progress of his organization [12]. A positive organizational climate generates a sense of belonging, which leads to better job performance; on the other hand, a negative organizational climate generates a decrease in performance and an increase in conflict situations [13]. By working to improve the organizational climate, it is possible to reduce absenteeism, increase productivity, manage the changes required by the organization, reduce overall costs, and integrate human resources into organizational systems, as well as promote innovation [14].

According to the above, it is possible to establish three determinants for the development of the organizational climate, based on the research carried out by Robert Stringer [15] (Serrano & Portalanza, 2014): leadership practices: depending on the way in which managers manage their employees, this will establish the organizational climate; organisational arrangements: refers to the formal systems of the organisation, i.e. the structures, the way information flows and the opportunities for advancement; strategies: influence perceptions of achievement, sources of satisfaction, barriers to success and rewards.

2 Methodology

According to the Chamber of Commerce of Barranquilla (2017), the three most representative sectors in the city are commerce (25.2%), services (46.5%) and construction (13.4%), which add up to a total of 2,245 SMEs by 2017. For the study, a sample of 50 companies from the three mentioned sectors was worked with, applying an intentional or non-probabilistic sampling [16], distributing the SMEs by means of the stratified sampling technique with proportional affixing, widely used in the literature for this type of analysis [17]. Using the proportion of each stratum, the sampling is set as illustrated in Table 1.

<table>
<thead>
<tr>
<th>Nº subjects in the stratum</th>
<th>Proportion</th>
<th>Stratum sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>1,175</td>
<td>52,3%</td>
</tr>
<tr>
<td>Commerce</td>
<td>698</td>
<td>31,1%</td>
</tr>
<tr>
<td>Construction</td>
<td>372</td>
<td>16,6%</td>
</tr>
</tbody>
</table>

Table 1. Description of the sample
In view of the above, 26 surveys were applied to companies in the service sector, 16 to the commerce sector and 8 to the construction sector. The instrument was designed by the researchers and consisted of 5 items measured on a Likert-type scale built into four categories namely: Totally Agree (TdA), Agree (DA), Disagree (ED) and Totally Disagree (TeD) and coded from 1 to 4, without the neutral element to better identify the positions of the respondents, in addition, it was subjected to the Cronbach Alpha test to ensure the validity of the scale used with an acceptance level higher than 0.7, as referred by some authors (González & Pazmiño, 2015).

In this way, it was possible to calculate the total theoretical scores of the instrument, which consists of multiplying the number of items (5) by the corresponding score value of the response category, as shown in table 3. Scores close to theoretical value 20 indicate a greater degree of disagreement with the approaches taken, while values close to 5 would indicate positions of greater agreement. On the other hand, SPSS version 24 was used as statistical support software for descriptive and inferential analyses.

3 Results

Univariate descriptive analysis. Once the information had been tabulated, organized and plotted, the most representative aspects were extracted to present the results in a summarized manner. Then, in figure 1.

Fig. 1: Summary of the Perception of the employers surveyed

| The leadership exercised by the manager directly influences the organizational climate | 24 | 42 | 26 | 8 |
| Maintaining a good organizational climate is a guarantee of the company's success | 26 | 54 | 14 | 6 |
| A good organizational climate guarantees the operational excellence of the company | 28 | 48 | 16 | 8 |
| The organizational climate directly influences the competitiveness of companies | 38 | 44 | 12 | 6 |
| The organizational climate influences the work performance and motivation of employees | 50 | 44 | 12 | 6 |

According to the responses received, there is a clear tendency on the part of employers to consider the work environment as a vital and relevant component for
achieving organizational improvement. Aspects such as: impact on business competitiveness with 82%; improvement of employee performance thanks to motivation reached a qualification level of 94%; as well, it is also specified that aspects such as corporate success is associated with the work climate, with 80% of the participants giving it a role of the utmost importance. It is followed by 76% benefits for excellence and finally management leadership with 66%.

Inferential analysis

With the purpose of deepening the analysis by using the total scores of the Likert scale, the sum of the response categories expressed by the employers according to the method proposed in table 2 was carried out to determine the theoretical scores of the scale. Once the total score was obtained, its normality was analyzed using the Kolmogorov - Smirnov test, the results of the test are shown in Table 2 below.

Table 2. Normalcy test for total scores

<table>
<thead>
<tr>
<th>Kolmogorov-Smirnov*</th>
<th>Statistical</th>
<th>gl</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>0,180</td>
<td>26</td>
<td>0,030</td>
</tr>
<tr>
<td>Commerce</td>
<td>0,150</td>
<td>16</td>
<td>0,200*</td>
</tr>
<tr>
<td>Construction</td>
<td>0,152</td>
<td>8</td>
<td>0,200*</td>
</tr>
</tbody>
</table>

The table shows that only the services do not follow a normal distribution, on the contrary, trade and construction if they have a behaviour in the form of a Gaussian bell. With this information it is then pertinent to perform non-parametric tests for the contrast of the total scores according to the sector; the purpose is to check if there are significant variations in the perception of the entrepreneurs, measured through the scores of the Likert scale, according to the productive branch (Service, trade or construction).

The Kruskal Walis test was used for this purpose, which indicates that, if there are significant differences, the degree of agreement or disagreement regarding the influence of the organisational climate on competitiveness varies from sector to sector. The results of the analysis are presented in Table 3 below.

Table 3. Test H of Kruskal Walis

<table>
<thead>
<tr>
<th>Chi-cuadrado</th>
<th>0,943</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gl</td>
<td>2</td>
</tr>
<tr>
<td>Sig. Asymptotic</td>
<td>0,624</td>
</tr>
</tbody>
</table>

Grouping variable: Sector
The p value (sig. Asymptotic) > 0.05 indicates that the null hypothesis (Ho) of the test, which states that the total scores are distributed in the same way in the sectors studied, must be rejected. In this case, it is then possible to say that regardless of the economic sector, the scores (perception of the entrepreneurs) are distributed in the same way.

4 Conclusion

Once the information has been analyzed, the conclusive aspects can be cited as follows:

- 80% of entrepreneurs associate business success with maintaining a good work climate in the organization.
- Operational excellence is a relevant factor for entrepreneurs, which can be strengthened through a good organizational climate, this perception is reflected in 76% of those interviewed.
- According to the opinion of employers, the factors that are most affected by the work climate are job performance and motivation.
- The manager's leadership was one of the determining factors of the climate with less appreciation than others, indicating that they do not feel fully responsible for the positive or negative situations in the work environment.
- The perception of entrepreneurs does not vary significantly according to the economic sector of the company. These results are supported by Kruskal Walis’ test H which yielded a p = 0.624; Chi Square =.943; gl=2.

Thus, it is considered pertinent to promote training programs at the business level that bring leaders and employees together on issues related to the organizational climate, as this can strengthen the scenarios already underway at the business level and generate motivating dynamics to promote the development of businesses in the city.

References


Received: June 19, 2018; Published: July 19, 2018