

**INFLUENCE ON ORGANIZATIONAL CLIMATE SURVEY AND ORGANIZATIONAL
COMMITMENT CASE IN JAKARTA**



**RESEARCH MANAGEMENT INSTITUTE (RMI)
UNIVERSITI TEKNOLOGI MARA
40450 SHAH ALAM, SELANGOR
MALAYSIA**

BY:

**SYUKURRIAH BINTI IDRUS
PROF DR FAUZIAH NOORDIN**

MAC 2012

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4. Enhanced Research Title and Objectives

Original Title as Proposed:

**ORAGNIZATIONAL COMMITMENT AND ORGANIZATIONAL CLIMATE SURVEY
CASE IN MALAYSIA AND INDONESIA**

Improved/Enhanced Title:

**INFLUENCE ON ORGANIZATIONAL CLIMATE SURVEY AND ORGANIZATIONAL
COMMITMENT CASE IN JAKARTA**

Original Objectives as Proposed:

The main aim of the study is to investigate, for the first time, whether both companies experience problem(s), if any, in terms of organizational aspects of work environment. In addition, the comparative study is conducted to determine the differences, if any, between Malaysia and Indonesia companies.

Specifically, the study objectives are:-

1. To asses the level of organizational climate in ABC and XYZ Company.
2. To examine the level of the employees organizational commitment in ABC and XYZ Company.
3. To compare the organizational climate between ABC Company and XYZ Company.
4. To compare the organizational commitment between ABC Company and XYZ Company
5. To find the correlation of organizational climate and organizational commitment in both companies.
6. To examine the effect of selected demographic variables on the organizational commitment and organizational climate of the employees in ABC and XYZ company
7. To make recommendation to the management of ABC and XYZ Company based on the findings of the study.

5. Report

5.1 Proposed Executive Summary

ABC Group had never conducted any organizational climate survey in the company ever since it was incorporated in 1989 while XYZ Group since 2003. Therefore, it is difficult for the management to make any decision regarding their employees' welfare, as they tend to rely only on their instinct and perception.

With the rapid changes in business environment there are challenges occurring that requires company to adapt to the changes while maintaining their productions and retaining their employees. There are more opportunities available in the market today for trained employees. As a result, many employees tend to take advantage on ABC Company and XYZ Company in term of using the companies as a stepping-stone for their career development. This is because ABC Company and XYZ Company do not really know the real employees' expectation towards the company regarding their organizational commitment level.

5.2 Enhanced Executive Summary

The study was conducted to investigate the levels of the eight components of organizational climate study and 3 components of organizational commitment, which are on Organizational Design, Communication, Leadership, Teamwork, Decision Making, Culture, Job Satisfaction, Motivation, Affective Commitment, Continuance Commitment and Normative Commitment in XYZ Group in Jakarta Indonesia. From several interviews conducted, the study found out that the problem started arise when there were feelings of dissatisfaction among employees towards the company. XYZ Group realized about this problem when the level of employee productivity decreased and the rate of employee turnover increased. It hoped that the finding of this study will give clear view of the current situation for both companies both in the aspect of organizational climate and organizational commitment of their employees. A survey was being employed in which questionnaires were used to assess the studied construct. A quantitative analysis was conducted in which 150 employees from XYZ Group were asked to complete the survey instrument. The result of these study shows that there is moderate relationship between all the aspects of organizational climate and organizational commitment components.

5.2 Introduction

Organizational commitment has been extensively investigated in measuring employee's work performances because of its relation with positive work outcomes such as low intention to leave (Kuean, L. W., Edward, & Sharon, 2010) and recently with creativity thinking in workplace (Hou, Y, Gao, , Wang, & Yu, 2011). There are also numerous studies on literatures that consistently linking the relation between organizational climate and individual outcomes including performance, satisfaction, involvement and commitment (Ostroff, O, Kinicki, & Tamkins, U. O., 2007). The importance of organizational commitment study raises a concern for researcher to investigate the relationship between organizational climate and organizational commitment in XYZ Group due to the recent phenomenon of lower work performances and poor attendance by the employees. The same study has been conducted in Malaysia where acceptable organizational climate and organizational commitment levels has been found and interrelated (Fauziah.N, Safiah.O., Syakirarohan.S., & Syukurriah.I, 2010) . Researchers in organizational behavior have been interested in understanding employees' perceptions of the work environment and how these perceptions influence individuals' work- related attitudes and suggested that social climate or atmosphere created in a workplace had significant consequences between employees' perceptions of the work context purportedly influenced the extent to which people were satisfied and perform up to their potential, which predicted to influence organizational productivity (Katz, A.U and Kahn, J.K ,2004). Climate has been described as an experientially based description of the work environment and, more specifically, employees' perceptions of the formal and informal policies, practices and procedures in their organization (Schneider, I.I. ,2008).

Several dimensions of organizational climate been investigated in this study which are organizational design, communication, leadership, teamwork, decision making, culture, job satisfaction, and motivation whichever will (or will not) related to organizational commitment. With the rapid changes in business environment there are challenges occurring that requires company to adapt to the changes while maintaining their productions and retaining their employees. There are more opportunities available in the market today for trained employees. As a result, many employees tend to take advantage on XYZ Company in term of using the companies as a stepping-stone for their career development.