University of Twente, the Netherlands

Faculty of Behavioral Sciences

Psychology OP & HRD

University of Twente
Enschede - The Netherlands

THE INFLUENCE OF THE ORGANIZATIONAL STRATEGY - ORGANIZATIONAL CLIMATE FIT ON EMPLOYEE BEHAVIOR, MEDIATED BY EFFECTIVE COMMITMENT AND MODERATED BY THE STRENGTH OF THE HR CLIMATE

Bachelor thesis June 2008

Sara Hammami (s0120537)

Tutors:

Drs. I. Goedegebure

Prof. Dr. K. Sanders

Bachelor Arbeids- en

Organisatiepsychologie

Course: 290395

Acknowledgments

The first part of this Bachelor thesis is dedicated to persons who were involved in this research in any way. Without these people it should not have been possible to accomplish the research and to write this thesis.

In the first place I want to thank the tutors of this research, Prof. Dr. Karin Sanders, Ivy Goedegebure and Matthijs Moorkamp. Thank you for posing the interesting research topic, even though it was not always easy to manage this assignment and sometimes several hurdles had to be taken. Thank you furthermore for giving guidance and support during the whole research process and for the availability for answering questions.

Following acknowledgement goes to a students group, Vanessa Bauhüs, Andreas Meyer and Carina Schott. Thank you for the successful teamwork in which the research model was elaborated. Moreover, I would like to thank you for the inspiringly discussions we had and for the common solving of problems and questions while writing this thesis.

Next, acknowledgement goes to the two firms which participated in the research. Although the firms want to stay anonymous here, I would like to thank the contact persons which were very engaged in organizing this research. Mr Bauhüs, Mr Enk, Mrs Pohlmann, Mr Grotke, Mr Fahrland and Mrs Gude, thank you for making this research possible. Of course, I also want to thank all employees for the time and interest while filling in the questionnaires.

Nevertheless, a lot of thank goes to my family and friends who also gave motivation and support during the whole research process.

Abstract

In this Bachelor thesis is a research model developed, that tries to measure the influences of organizational strategy, organizational climate, the strength of the HR climate and affective commitment on the strategic work behaviors of employees. Although a lot of research has already been done on this topic, is the composition of the variables in this research new and unique in literature until now. A questionnaire analysis which is accomplished in two German organizations is the medium of this research. With help of statistical analyses on the 93 returned questionnaires, it is tried to get an answer on the research question: "Which effects have the fit between organizational strategy and organizational climate, the moderating variable strength of the HR climate and the mediating variable affective commitment on the strategic behaviors of employees?" In comparison of the two firms which participated in the research, it is found that firm A has the better fit between organizational strategy and organizational climate, though firm B scores higher on the strategic work behaviors. Thus, on the base of these findings it is not proven that the better the fit between organizational strategy and organizational climate, the better the strategic work behaviors of employees. Furthermore, it is found that firm A scores significant higher on affective commitment than firm B. This is a possible demonstration that a good fit between organizational strategy and organizational climate has a positive influence on affective commitment. Moreover, calculations show a significant stronger HR climate in firm A than in firm B. Due to this result it is assumable that a strong HR climate does not influence the strategic work behaviors in a positive way.

Table of Contents

Chapter 1   Introduction

Competitiveness is an increasing phenomenon which largely results of globalization and an imbalance between supply and demand. Thus, for many organizations the pressure of the continuous growing industry got so enormous, that methods of resolution had to been thought of (Wijnberg, 2004). Especially technical organizations can quickly get into problems if they are not as innovative as or even less responding to the market and to the customers than their concurrences. In order to change these undesirable circumstances, corrective measures, on which will be based in this thesis, were thought of already.

There are two terms in literature which are mentioned in relation to this topic: organizational strategy and organizational climate (Gibcus & Kemp, 2003). Organizational strategy is the medium through which management tries to achieve firm goals, in a way that corresponds with the line a company wants to follow (Gibcus & Kemp, 2003). Organizational climate is a shared perception of employees concerning practices, policies, procedures, routines, expected behavior and rewards (James & Johns, 1974). It can be perceived that diverse strategies and climates have various effects on the performance of different organizations (James, Choi, Ko, MCNeil, Minton, Wright, 2008).

It is assumed that if the organizational strategy has several parallels and matches with the organizational climate, this fit will result in strategic work behaviors of employees. Strategic work behaviors refer to engagements and achievements of employees in order to accomplish concurrence of the organization and save the organization a great role on the market. In this research, attention will be given to three strategic employee behaviors: Innovative behavior, Customer orientation and Knowledge sharing. These behaviors are important conditions for organizations which want to be more successful than their competitors.

In recent research can be found that the strength of the Human Resource (HR) - climate and the affective commitment of an employee to the organization are also stressed in relation to employee behavior (Bowen & Ostroff, 2004). The strength of the HR climate is the extent to which employees share the same opinions and perceptions over the organization's policies, practices, procedures and goals. Thus, a strong climate can only exist if all employees agree with each other (Bowen & Ostroff, 2004). Especially HRM practices and a HRM system that are perceived as distinctive and consistent will play a critical role in determining climate perceptions and thereupon a strong HR climate (Bowen & Ostroff, 2004). Affective commitment of an employee refers to how emotionally attached an employee is. This factor

can be linked to the organization, to the work, to the occupation, to the supervisor and to the team (Vandenberghe, Benetein, Stinglhamber, 2002).

The impulsion to carry out a research like this is the added value which will be gained. Due to the identification of an optimal way of how the variables mentioned above have to interrelate, can possible misfits and imbalances be detected. The goal is to profit from this knowledge with relevance and benefit for the managements of organizations to reach better organizational performance as well as higher employee satisfaction. This in turn will be paid off in a stronger position of the firm on the market and economical advantage. In the desirable long term, the ambition is to help organizations to stay competitive and well performing in a quickly changing environment.

In order to reach this intention on the theoretical level, the research model and hypotheses will get tested and then conclusions will be drawn. Thereupon practical implications in a form of an organizational rapport will be given to the researched organizations.

The central theme, on which the whole thesis is based, is the examination of which effects the factors mentioned above have on the strategic work behaviors of employees. Thus, the research question is:

Which effects have the fit between organizational strategy and organizational climate, the moderating variable strength of the HR climate and the mediating variable affective commitment on the strategic work behaviors of employees?

In the following, a study of literature will seek to support the need for this research question. Furthermore, out of this main question several hypotheses will be drawn to get a more specified view of this subject matter.

Chapter 2   Theoretical framework

The two main constructs on which our investigation question is based are organizational strategy and organizational climate.

2.1   Organizational strategy

A generic definition says that organizational strategy is an important instrument to build up an organization in a way that employees can work effectively (Hemmelgarn, Glisson, & James, 2006). Furthermore, a good organizational strategy creates a position which differentiates one organization from the concurrence (Gibcus & Kemp, 2003).

To reach this goal researchers have established diverse strategy models which include differing strategies relating to organizations. The most known approaches are those of Chandler, Mintzberg, Miles and Snow and Porter (Gibcus & Kemp, 2003). The organization strategy models that will be engaged in are all associated with the theoretic approach typology. By the use of this approach the concentration will lay on the search for a wide theoretical frame towards strategy and organizational characteristics. More precisely, this typology is emphatically connected to the strategy of firms in an industry and is, as the name alone reveals, theoretically related, whereas the actual ideas are linked to practice (Gibcus & Kemp, 2003). Alternatives to this typology are a business matrix approach and an empirical / statistical approach (Gibcus & Kemp, 2003). Within the theoretic approach typology a distinction is made between content and process perspective. The latter refers to the actions that lead to and support strategy in organizations. The first corresponds to generic strategies in itself (Gibcus & Kemp, 2003).

An example relating to the theoretical approach typology is the organizational strategy model of Miles and Snow (Miles, Snow, Meyer, & Coleman Jr., 1978). These researchers indicate that an organization is a complete and integrated system that interacts dynamically with its environment. Organizations are classified in terms of their strategies to handle problems of entrepreneurial, technological and administrative nature, as either prospectors, defenders, analyzers or reactors (Burton, Lauridsen & Obel, 2004).

Organizations categorized as prospectors are the causers of change in industry (Gibcus & Kemp, 2003). Firms using this strategy are innovative, flexible and risk - oriented in order to find and exploit new products which respond to quickly changing market situations. The hierarchy in prospector strategies is flat, so employees get many decision liberties and the communication structure is simple (Burton et al, 2004; Gibcus & Kemp, 2003).

Defender strategic orientations can be seen as the antipode of prospector strategic orientations. Stability, control and expertise are the most important aspects of those organizations. Defender strategic orientations concentrate on a small amount of the market and use approved and good instruments, though coevally exclude innovative ideas (Burton et al, 2004; Gibcus & Kemp, 2003).

Organizations classified with an analyzer strategy stand in between the two just mentioned extreme strategies. These organizations combine stable and efficient products with dynamic and more effective products if they have been proved on the market (Burton et al, 2004; Gibcus & Kemp, 2003).

Another strategy type in Miles and Snow's model is the reactor strategy. Organizations categorized like this follow an inconsistent and unstable pattern, which makes it difficult to give a precise explanation of this strategy type (Burton et al, 2004; Gibcus & Kemp, 2003). On this account this research will further cater to the first three strategy types.

Another research on organizational strategies is done by Porter who developed the theory of generic competitive strategies (Gibcus & Kemp, 2003). This theory is based on the business level and ascribes the environment of the organization an important role, because it can determine the firm's structure for a great deal. The central idea is that a business should try to achieve competiveness through positioning and enhancing financial performance. Porter's theory applies to the context perspective of the theoretic approach typology and composes three generic competitive strategies: cost leadership, differentiation and focus (Gibcus & Kemp, 2003).

An organization which adopts the cost leadership strategy strives to produce as low priced in a branch of all the competitors. These organizations have the goal to find and exploit all sources of cost advantage (Miller, 1986).

Organizations using the differentiation strategy compete with market challengers by inventing products that are highly valued by consumers. These organizations perform above average and see their strategy goal by being unique and therefore asking premium prices (Gibcus & Kemp, 2003).

These two strategy types of Porter's theory relate competitive advantage to a broad range of segments, whereas the focus strategy just exploits a narrow segment of the industry. So the focus strategy competes by specifying only on a little part (Miller, 1986).

Another theory mentioned in Porter's model is the stuck-in-the-middle theory. Organizations using this strategy will perform below average because there is no clear and consistent competitive strategy identifiable. This theory is comparable to Miles and Snows

reactor strategy due to the unstable patterns and therefore this strategy will not further be considered in this research.

On one of Porter's strategies is done some further research. Dess and Davis (1984) split the differentiation strategy into four different categories: innovation, marketing, service and process differentiation (Gibcus & Kemp, 2003).

The goal of innovation differentiation is to differ from competitors through production and marketing of new products.

In marketing differentiation, organizations reach this goal through developing products that are distinctively different from those of their competitors.
Organizations following service differentiation lay the emphasis on customer service and their wellbeing and want to differentiate like this from their competitors.

In process differentiation the discrimination of competitors is made through setting high standards of manufacturing processes (Gibcus & Kemp, 2003).

Summarizing, there is some overlap between the different approaches of organizational strategy which were mentioned.

The prospector theory of Miles and Snow bears similarities with the innovation differentiation, marketing differentiation and service differentiation theories of Dess and Davis (1984). In all of these theories the innovative component takes an important position and competition with other firms takes place on a risky level. Whereas Miles and Snow's defender theory has some parallels with Porter' cost leadership theory. Both organization strategy theories follow stable and save lines and are not that innovative (Gibcus & Kemp, 2003).

The last comparison can be made between the analyzer strategy and the process differentiation strategy. In both strategies benchmarking in relation to competitors plays a crucial role (Gibcus & Kemp, 2003).

This confrontation of these theories has not the goal to equalize one theory with another; it is rather a critical view for similarities.

In following research, organization strategies will be linked to organizational climate, which will be concentrated on in the next passage. Therefore the theories of Porter, respectively Dess and Davis, give a more suited basis, since they can be defined more exactly and were treated in earlier research more prevalently than the theory of Miles and Snow. Thus emphasis will be laid on these organizational strategies instead of on the strategies of Miles and Snow, which nevertheless have been empirically analyzed with very good results (Burton et al, 2004).

2.2   *Organizational climate*

As mentioned above, attention will be paid to the organizational climate now. This term refers to the attitudes of individuals concerning the organization (Burton et al, 2004). Organizational climate exists when psychological climate perceptions are shared among workers within a particular work unit. Only when employees agree with each other on this issue, can an aggregate measure of organizational climate be computed and thereupon employed as an organizational level measure of climate (Hemmelgarn, Glisson, James, 2002).

In order to ascribe different organizations to an appropriate climate, various climate types have been established. Burton (2004) mentions a theory which consists of four distinct organizational climate types: group climate, developmental climate, rational goal climate and internal process climate. In a research of Cameron and Quinn (1999) the classification in these four climate types has been supported. These climate types are described based on their degree of the seven climate elements: Trust, conflict, morale, equity of rewards, resistance to change, leader credibility and scapegoating (Burton et al, 2004). The relations of the climate elements to the four climate types are not completely definite; there stays an ambiguous character as can be seen in the researches of Burton et al (2004) as well as of Zammuto and Krakower (1991). This means either high, medium or low scores on each of the seven climate elements build together a unique patron of organizational climate. Thus the seven single scores of one climate type can be compared to the seven scores of another climate type. At this it can be noticed that the differences between the diverse climates are not that large. As an example, the rational goal climate and the internal process climate show only a striking difference on the scores of morale and leader credibility. In the rational goal climate both scores are rather medium, whereas in the internal process climate the scores are low. The scores on the other five climate elements are to a high degree comparable for these two climate types.

2.3   *The fit between organizational strategy and organizational climate*

In order to find a match between organizational strategy and organizational climate, the different criteria have to be compared equally. The developmental climate type fits with the service differentiation and innovation differentiation mentioned in Burton's article (2004). Conflict and the resistance to change are described as low in this climate whereas rewards equitability, leader credibility and trust are characterized as rather high in developmental climate. These attributes match with the goals defined in the linked organizational strategies

mentioned above. At this can be seen that there is a great overlapping between the strategies in several points. One could also consider that the marketing differentiation strategy can be matched with the rational goal climate, due to a high conflict score in the rational goal climate. This is one essential difference in comparison with the developmental climate and the vein to the conflict can be recognized in marketing differentiation strategy. However the low trust and the low rewards equitability in the rational goal climate can not be found in the marketing differentiation strategy. So there are more aspects to be said for a match between marketing differentiation strategy with developmental climate than with rational goal climate (Burton et al, 2004).

The internal process climate can be linked to the process differentiation strategy and the cost leadership strategy. The ratio of the conflict is defined as high in this climate and the ratios of trust, morale, rewards equitability and leader credibility get rather low scores (Burton et al, 2004). So this climate type stands opponent to the developmental climate, as do the linked organizational strategies to each other, as revealed above.

The family culture climate can not be linked to one of the organizational strategies described in this thesis. This type of climate is a kind of a desired climate in an organization resulting from its high scores on trust, morale, rewards equitability and leader credibility and low scores on conflict and scapegoating (Burton et al, 2004). The name alone indicates that family climate can rather been found in small organizations with a personally work atmosphere than in organizations which follow one of the strategies mentioned above. As a consequence no organizational strategy can be linked with this climate type.

The attribution of organizational strategies to organizational climate or even the other way round, are no static definitions. As already adverted, there is overlapping concerning the classification of organizational climates on the basis of the seven climate types and the assignment of strategies to cultures is a rather subjective process.

The reason to connect organizational climates with organizational strategies is to get a fit between these two constructs which in turn has influence on the strategic work behaviors of employees. If the organizational strategy and the employees' perceptions about the organization would not compromise, then this misfit would result in negative effect on return on assets (ROA) (Burton, 2004). This means if the chosen organizational strategy suits with organizational climate in a way mentioned above, then this linkage has a positive influence on the strategic work behaviors of employees and thus the organization's overall performance.

From this background the first hypothesis of this thesis can be drawn.

H1: An appropriate fit between organizational strategy and organizational climate is positively related to strategic work behaviors of employees

Originally there can result different strategic employee behaviors in combination with the possible fits between climate and strategy. Thus dependent on which strategy and which climate in an organization is found, the possible employee behaviors on which will be concentrated on in this thesis are innovative behavior, which includes information sharing or knowledge exchange, customer orientation and affective commitment.

On innovative behavior has been made much research. The main conclusion is that organizations which promote exploratory learning are related significantly to innovation in products and technical systems (Shipton, West, Dawson, Birdi & Patterson, 2006). Exploratory learning involves generating new ideas through actively searching for alternative viewpoints and perspectives as well as knowledge exchange or information sharing within the organization (Shipton et al, 2006). So if employees are given the possibilities to conduct exploratory learning this will have a positive influence on the innovation of the organization (Shipton et al, 2006). Knowledge sharing is then a logical side effect in the context of innovative behavior, since employees will exchange ideas and discuss problems (Janssen, 2000). Further research on this type of strategic employee behavior reveals that innovative behavior can be divided into three stages: idea generation, idea promotion and idea realization (Janssen, 2000). During the idea generation stage novel and useful ideas are produced. For these ideas some support is searched in the idea promotion stage to get the necessary power behind the concepts. In idea realization stage a prototype or model of the innovation is developed (Janssen, 2003). Summarizing, innovative behavior is important in organizations which want to be successful on the market of new products. Techniques have to be developed how to sell products the best, which is reflected in the marketing differentiation strategy and in addition, innovative behavior plays a great part in thinking about new techniques of how to please customers. Thus it seems to be obvious that *a fit between developmental climate and marketing differentiation strategy, service differentiation strategy and innovation differentiation strategy will result in innovative behavior and consequently knowledge sharing (H1a).*

It has to be mentioned that the corresponding strategic employee behaviors only result, if there is indeed a fit between strategy and climate. If none of the above listed fits can be determined, then strategic employee behavior will not result.

The strategic employee behavior customer orientation can be defined as representing the salesperson's activities in which the focus is on satisfying the customer's needs (Rozell, Pettijohn, Parker, 2004). This means a salesperson is customer oriented when he or she engages in behavior that is designed to build the customer's satisfaction and satisfy customer needs over the long term (Saxe & Weitz, 1982). Besides a positive relationship between customer orientation and job satisfaction can be stated (Franke & Park, 2006). In regard to the fit there can be hypothesized that *a fit between developmental climate and service differentiation strategy will lead to customer orientation (H1b).*

Affective commitment plays a crucial role in the relation between the fit and the strategic employee behaviors. It can be defined as the extent to which people experience a sense of identification and involvement with an organization (Vandenberghe et al, 2002). Furthermore it appears to be most closely related to various work aspects (Ellemers, de Gilder, van den Heuvel, 1998). This means that affective commitment seems to have a mediating role in the relation between fit and work behavior (model 1). Previous research found a linkage between leader-member exchange (LMX) and affective commitment. More exactly it was ascertained that affective commitment to the supervisor was significantly associated with job performance (Vandenberghe et al, 2002). It can be assumed that LMX forms a part of the fit between organizational strategy and climate, since supervisors play a crucial role in defining an organizational strategy and climate (Bollinger & Smith, 2001). Though, it is essential for employees to feel affective committed to the organization in order to achieve strategic work behaviors.

Furthermore discrimination between affective commitment or the way in which people feel emotionally attached to their organization can be made. If employees are career-oriented committed, the most important issue is the individual goal of advancing in their personal careers. Team-oriented committed employees experience common team goals as most important issue (Ellemers, 1998).

Besides, affective commitment to the organization, difference will be made in measuring affective commitment in relation to the work, to the occupation, to the supervisor and to the team. However all types of affective commitment will have influence on strategic employee behavior as mentioned above (Vandenberghe et al, 2002).

Organizational strategy — Fit — Organizational climate

Strength of HR climate

Affective commitment

Strategic employee behavior
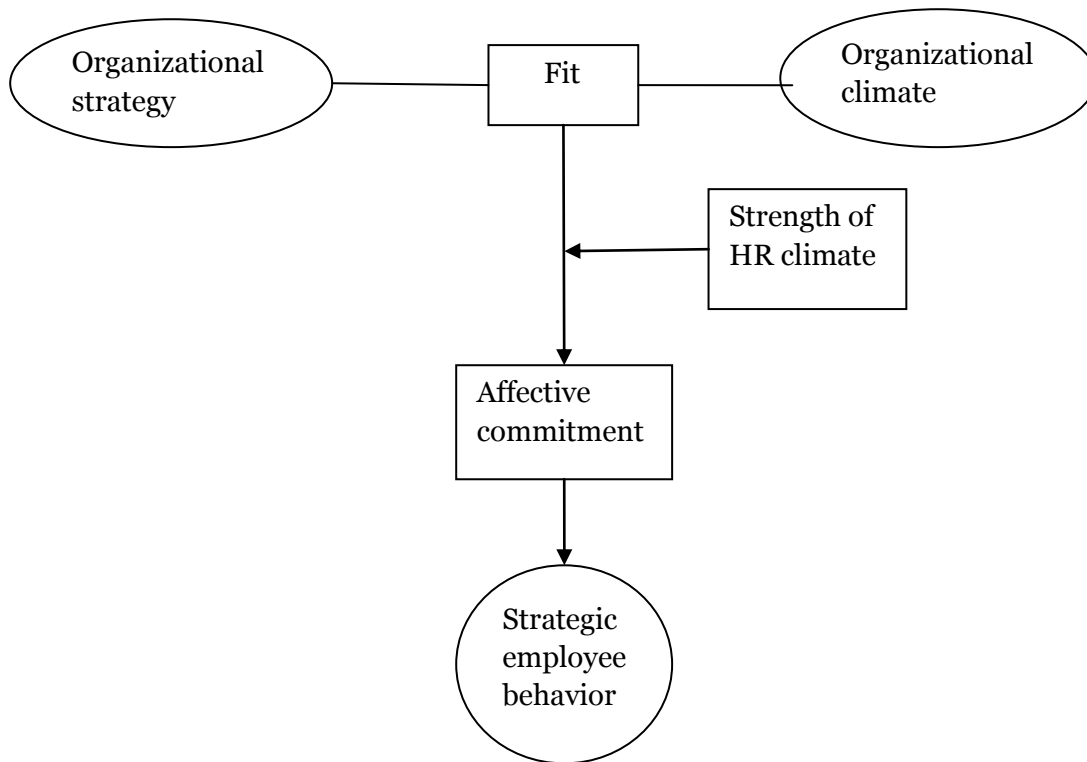
Model 1 – Research model

Out of this research model the second hypothesis results.

H2: **Affective commitment plays a mediating role in the relationship between the organizational climate – organizational strategy fit and strategic employee behaviors**

A critical variable which influences the organization's overall performance as well is the strength of the HR climate. This variable refers to the extent to which employees share the same opinions and perceptions over the organization's policies, practices, procedures and goals; thus a strong climate can only exist if all employees agree with each other (Bowen & Ostroff, 2004). An important difference between the organizational climate (Burton et al, 2004) and the HR climate (Bowen & Ostroff, 2004) is that Burton identified different types of climate, as mentioned above, where Bowen concentrates on the strength of the HR climate, which can be seen as a part of organizational climate. In Burton's theory is the organizational climate defined as a moderator between HRM and performances, whereby the emphasis is

laid on the fit between climate and strategy (Burton et al, 2004). This means that the climate is a variable of which the only connection to the whole schema is its influence on the relationship between fit and strategic employee behaviors. In Bowen & Ostroff's theory the HR climate takes a mediating role on the strategic work behaviors (Bowen & Ostroff, 2004).

The term organization climate gets exchanged with the term HR climate (Bowen & Ostroff, 2004). The reason therefore is that the strength of the situation (climate) gets measured via nine meta features of the HR system and not via the seven elements of organizational climate (Bowen & Ostroff, 2004; Burton et al, 2004).

The third hypothesis is based on the above mentioned foundations.

H3:   HR climate has a moderating effect on the relation between the strategy – climate fit and strategic employee behaviors

Chapter 3   Research methods

3.1   Design and Sample

In order to get a verification of the hypotheses, organizations were contacted and were asked to participate in this research. At first the chosen companies got a letter with an explanation and an invitation to participate in the research. A few days later the same letter was sent via email as a reminder to think about the offer. After some time the organization was called in order of an exchange of views and to get to know the decision of the organization. If organizations were willing to participate in the research the planning was to visit the company for a short presentation and afterwards to hand out the research questionnaires. On a pre-decided date the questionnaires were picked up, then analyzed and subsequently an individual research rapport was handed out to the organization. Thus as cost - benefit calculation the organizations spent time while filling in the questionnaires, however afterwards they get a firm rapport with individual results. Out of this analysis the management should get some inducement of what to do in order to be more lucrative than their competitors. Thus, there was an appeal for organizations to participate in this research.

The strived target group on which this research should have been executed is three technical organizations dedicated to the service oriented market, of which the employee number has to be more than 100 per organization. About 25 companies in the Netherlands and in Germany are contacted, indeed actually only two German organizations participated in the research, whereof only one belonged to the desired sector. This means that there is a participation rate of 8%. There are several reasons for such a low response rate. Many organizations notified that there is a great offer of researches and that they can not manage to take part in all of them. For some other organizations the cost-benefit ratio of this research is not sure enough, so they decided not to participate. Other organizations state that they just had no interest in this research.

One of the two firms that participated is an internationally forwarding company with its head office in Gronau. In this Bachelor thesis no names of organizations will be mentioned because the organizations wish to stay anonymous. On this account this forwarding company will be named firm A in the whole thesis. Firm A tells 170 employees in the functions of truck drivers and office workers. In this organization only 29 questionnaires were filled in, which means a response rate of 17%. This rather low response rate can be caused by the fact that truck drivers, which form a great part of all employees in this firm, spent a lot of time outside the office. Another reason which is also significant for the other organization is that

some employees were on vacation or just did not see the relevance of this research. 23 of the questionnaires were filled in by men and only five questionnaires were filled in by women, which means a proportion of 82% versus 18%. Furthermore 25 of the people who filled in the questionnaire have a durable contract (89%) and only 3 workers have a temporal contract (11%).

The other firm is a supplier for the converting industry as well as for the automotive industry with its head office in Bocholt. In this thesis this company will be labelled firm B. In the office 300 people are employed, but the questionnaire was only handed out to 130 employees. The response rate in this organization is about 49%, which means that 64 questionnaires were filled in. 83% of these questionnaires were filled in by men and 17% by women and 97% of the people who filled in the questionnaire have a durable contract and only 3% work under temporal contract conditions.

3.2   Research measures

In order to get results for an analysis of the effect on strategic employee behaviors through the fit between organizational strategy and organizational climate in relation with HR climate and commitment, a questionnaire research is done. The distinct items will correlate to the organizational strategy, the organizational climate, attachment, innovation, custom orientation, personnel policy, knowledge and personal related questions. Thus all fields of the research question are uncovered with this questionnaire and this will be an adequate basis to draw some conclusions finally. Testing whether the items intended to measure a certain construct, actually do so, a reliability analysis is conducted (*see appendix table 1)*.

In order to measure the strategy experienced in the organization, a measurement scale based on Porter's model is used (Gibcus & Kemp, 2003). An example item of the questionnaire is "Improving the salesman's achievement" which is measured by a five point likert scale with anchors 1 = totally disagree to 5 = totally agree.
Organizational climate is measured with an item scale based on Burton's theory (Burton et al, 2004). An example of this is "Our collaborators have a high work moral".

The strength of the HR climate is measured with an item scale based on Dorenbosch, Sanders & Reuver, 2006. A sample of these items is "During feedback session I get to know how to improve my performance".

The construct affective commitment consists in the questionnaire of 28 items in total. A reliability analysis states a high reliability of all items (Cronbach α = .888). However, this construct can be split off in five different parts. These five different types of affective

commitment (organization, work, occupation, supervisor and team) are respectively measured on scales based on Allen & Meyer (1990); Torka (2003); Meyer, Alles & Smith (1993); Vandenberghe et al (2002) and Ellemers et al (1998). At first a reliability analysis of affective commitment concerning the organization is done. This scale consists of eight items with a reliability of Cronbach α = .670. An item example is "I am not emotionally affectionate to this organization". Affective commitment concerning the work is measured by four items with a reliability of Cronbach α = .740. An item example is "The work that I do is interesting". Affective commitment concerning the occupation is measured by six items with a reliability of Cronbach α = .744. An item example is "I am proud on my career". Affective commitment in relation to the supervisor is measured by five items with a reliability of Cronbach α = .906. An item example is "I appraise my boss". The last part of affective commitment is related to the team and is also measured by five items with a reliability of Cronbach α = .636. An example item is "I try to invest in a good work sphere in my team".

In order to measure the strategic employee behaviors: innovative behavior, customer orientation and knowledge sharing, scales were used which are based on theories of Janssen (2000); Saxe & Weitz (1982) and Van Woerkom & Sanders (2008). It will be started with the strategic work behavior innovative behavior which gets measured in the questionnaire by nine items which together form are reliability scale of Cronbach α = .849. An example item measuring innovative behavior is "How many times do you think about original solutions for work problems?". The strategic work behavior customer orientation gets measured in the questionnaire by twelve items. A reliability of these 12 items results in a Cronbach α = .793. This is a passable high score, however if item six will be deleted the reliability score of the remaining 11 items rises (Cronbach α = .941). This signifies that customer orientation will be measured on the base of only eleven items in the further analysis. An example item measuring customer orientation is "I try to find out which products is the most useful for the customer". The strategic work behavior knowledge sharing will be measured by a scale which consists of ten items. The score of the reliability analysis for the ten items is quite high (Cronbach α = .779) and an example item of this work behavior is "With the knowledge of my colleges can I carry out my work in a better way".

3.3   Analytical procedure

The found data of the questionnaires is analyzed with a statistical software program. At this attention is given to main effects of variables, correlations and means and standard deviations

of variables. However, due to the aggravating shortage of data of this research is it not possible to analyze all constructs in a reliable manner.

In order to ascribe the five strategy types to the two sample organizations is a ranked order of the highest mean scores for the strategies established. For each strategy type is an average score on the answers of the appropriate items constructed. By firm A is this score based on the answers of all 29 returned questionnaires, which were filled in by employees only. The strategy of firm B is measured by means of the average scores based on four samples, which are members of the board.

Analyses of defining organizational climate types are based on all returned questionnaires, thus as well of employees as of employers. The average scores on the seven climate elements of Burton et al (2004) are important for this measure. The constellation of high, low or medium scores on the climate elements resulted in a unique pattern for each organization and from this, a rank order of the different climate types referable to Burton et al (2004) is created.

The fit between organizational climate and strategy is also analyzed by means of a ranking calculation. The optimal fits between strategy and climate which are emphasized in the theoretical frame, are compared with the actual fits between strategy and climate for both organizations. On this basis are difference scores calculated and then multiplied with the range for strategy. It can be concluded that the smaller the value of the five added scores of each organization is, the better is the strategy-climate fit.

Statistical analyses trying to define a moderating effect of the strength of the HR climate can not be accomplished on the base of the present dataset. In order to draw reliable conclusions about a moderating effect a hierarchical linear regression analysis has to be done. This procedure will not deliver convenient results, due to the fact that with the datasets of two organizations only, no correlations can be found. However, calculations are made regarding the average scores on the scale measuring HR climate and are compared between the two organizations.

Testing if there is a mediating effect of affective commitment is not possible as well. Due to the same reason while trying to define a moderating effect, a mediating effect can not be measured with the tool of hierarchical linear regression analysis. Two different datasets provide not sufficient variance for applying regression analysis. However, the average scores on the scale measuring overall affective commitment are compared between the two companies.

Summarizing, the relationships between the strategy-climate fit and affective commitment and between affective commitment and strategic behavior can not be measured here. Even by

means of the Spearman's rank correlation coefficient, which is predestined for measures among small samples (Kutner et al, 2005), no reliable outcomes will be gained.

In order to get at least a tendency of the role of the strength of the HR climate and affective commitment within the research model, are the mean scores of the relevant variables compared in the two organizations and so slight assumptions can be made concerning the relations of the variables. These findings have to be perceived with caution, due to the missing validity of the study.

Chapter 4 Results

4.1 Descriptive statistics

For the two companies participating in this research, it is determined that they are dominated by different strategies. A unique categorization of an organization to a strategy is not possible; indeed a certain tendency can well be ascertained. These findings are based on the average scores on the five strategies *(see appendix table 2).*

From these average scores can a ranking of strategy be created. For firm A is the following strategy order found, with Service differentiation strategy the strongest:

Firm A, strategy rank

Ranking	Strategy
1.	Service differentiation strategy
2.	Cost leadership strategy
3.	Marketing differentiation strategy
4.	Innovation differentiation strategy
5.	Process differentiation strategy

At firm B get two strategies the same average score, thus there stand Service differentiation strategy and Cost leadership strategy on the top of the ranking:

Firm B, strategy rank

Ranking	Strategy
1.	Service differentiation strategy
	Cost leadership strategy
2.	Process differentiation strategy
3.	Marketing differentiation strategy
4.	Innovation differentiation strategy

Measures of the organizational climate reveal following results. By firm A agrees the developmental climate best with the given scores on the seven climate elements. By firm B matches the internal process climate best with the given answers. An overview of the climate cluster which is based on the comparison of the two organizations *(see appendix table 3)* shows that firm A has high scores on trust, rewards equitability and leader credibility,

however low scores on morale, conflict and resistance to change. A medium score is measured for scapegoating.

In firm B is the classification of the climate elements the reversed pattern of the classification of firm A, which means low scores on trust, rewards equitability and leader credibility, but high scores on morale, conflict and resistance to change. A medium score for scapegoating is consequently also measured. Based on these findings is a ranking of the best suitable climate types in a descending order established. Firm A has the following climate ranking:

Firm A, climate rank

Ranking	Climate
1.	Developmental climate
2.	Group climate
3.	Rational goal climate
4.	Internal process climate

The climate ranking of firm B is this one:

Firm B, climate rank

Ranking	Climate
1.	Internal process climate
2.	Rational goal climate
3.	Group climate
4.	Developmental climate

Furthermore, there is a stronger fit between the measured organizational strategy and organizational climate at firm A than at firm B. This result can be seen by comparing the difference scores between the ranked organizational strategies and ranked organizational climates for each company *(see appendix tables 4a and 4b)*. The calculation outcomes are that the total difference value of firm A is 10 and the total difference value of firm B is 19. This means that the strategy and climate types which were ascertained by firm A fit better with each other than the ones found by firm B, due to the conclusion the lower the total difference value the better the strategy-climate fit.

The strength of the HR climate is also found to be significantly stronger by firm A than by firm B. By firm A is the average score on the ten HR climate questions (M = 2.65, SD = .96) and by firm B is the average score (M = 2.11, SD = .75) and t (90) = 2.93, p = .004.

4.2   *Testing of hypotheses*

The first hypothesis states that an appropriate fit between organizational strategy and organizational climate is positively related to strategic work behaviors of employees. Out of this result two sub hypotheses. First: innovative behavior and consequently knowledge sharing will result of a fit between developmental climate and marketing differentiation strategy, service differentiation strategy and innovation differentiation strategy. Second: a fit between developmental climate and service differentiation strategy will lead to customer orientation. This hypothesis, with its two sub hypotheses, can not be measured in a valid way. In order to get some approximate results, an independent sample t-test was conducted. The results are however not significant. On all three strategic work behaviors are higher scores found for firm B and not for firm A. The statistics of the work behaviors are the following: knowledge sharing of firm A (M = 3.54, SD = .61) versus knowledge sharing of firm B (M = 3.56, SD = .51) and t (89) = .179, p = .86. Innovative behavior of firm A (M = 2.96, SD = .79) versus innovative behavior of firm B (M = 3.01, SD = .58) and t (90) = .363, p = .72. Customer orientation of firm A (M = 3.88, SD = .90) versus customer orientation of firm B (M = 4.12, SD = .98) and t (89) = 1.09, p = .29. Due to the conclusion that firm A has a better fit between strategy and climate than firm B, the first hypothesis expects that the average scores of the strategic work behaviors are also higher in firm A than in firm B. The found results identify a reverse pattern, thus the first hypothesis is not confirmed. With reference to these outcomes could the two sub hypotheses not be confirmed either.

The second hypothesis that affective commitment plays a mediating role in the relationship between the organizational climate − organizational strategy fit and strategic employee behaviors cannot be measured by the mean of a correlation analysis. However it can be stated, that there is significant higher affective commitment by firm A than by firm B. The average scores of affective commitment are M = 3.71. SD = .52 for firm A and M = 3.37, SD = .52 for firm B and t (86) = 2.96, p = .004. This result may indicate that a good fit between strategy and climate has a positive influence on the affective commitment. A positive influence of affective commitment on the strategic work behaviors of employees can not be detected because the average scores on work behaviors are higher in firm B than in firm A, thus

affective commitment seems not to support the hypothesis of a mediating effect on the relation between the strategy-climate fit and work behaviors.

The last hypothesis that the relation between the strategy-climate fit and strategic work behaviors is moderated by HR climate can not be tested by using a hierarchical linear regression analysis. In order to get a tendency of the influence of the HR climate on work behavior, are the average scores on the two constructs for each organization compared. A significant stronger HR climate is found in firm A ($M = 2.65$, $SD = .96$) in contrast to firm B ($M = 2.11$, $SD = .75$) and $t (90) = 2.93$, $p = .004$. This is also no confirmation for the last hypothesis because HR climate is stronger in firm A, however the better work behaviors are found in firm B.

Chapter 5   Conclusion & Discussion

Out of these results can only a vague answer on the research question be given: Which effects have the fit between organizational strategy and organizational climate, the moderating variable strength of the HR climate and the mediating variable affective commitment on the strategic behaviors of employees?

Through trying to measure the hypotheses, seems that a good fit between organizational strategy and organizational climate has no positive influence on strategic work behaviors of employees. Whether the strength of the HR climate is a moderating variable and which effects are connected with this variable could not be measured, however from the above mentioned results seems that a strong HR climate has no effect on strategic work behaviors. Whether affective commitment is a mediating variable is also not possible to measure. Nevertheless it can be said that high affective commitment has no influence on the strategic work behaviors.

One remarkable result of this research is that a good fit between organizational strategy and organizational climate has a positive influence on affective commitment. This conclusion can be seen on the example of firm A, where high scores on the fit as well as high scores on affective commitment in comparison to firm B can be found.

5.1   Limitations of this research

With review on this research some critical points have to be named.

The main factor which makes this research not as successful as expected is that only two organizations participated in the research. This fact has a lot of influence on testing the hypotheses and finding an answer on the research question. The concept was to compare three organizations on the basis of their different fits between strategy and climate and different strengths of HR climate and affective commitment. Due to the fact that only two databases are available, no correlation analyses are possible which means that it is not possible to test the hypotheses. In order to make however some assumptions about the effects and relations which were stated in the hypotheses, diverse statistical analyses are conducted. Nevertheless, all analyses and measurements which are done in this research lack validity and should be interpreted with caution.

Another factor which limits this research is that one organization is not categorized in the sector of the target group. Firm A is not an organization settled in the technical service oriented branch, which could mean that innovation forms not such an important aspect as for technical organizations like firm B.

Furthermore is the comparison of the two organizations doubtable in order of the different datasets for each organization. All measurements concerning firm A are based on only 29 questionnaires in contrast to 63 datasets on which the analyses of firm B are based. This difference was particularly in defining the organizations' strategies a crucial factor, due to the fact that differences concerning managers and employees had to been made here, which is also not in balance between the two organizations.

5.2   Suggestions for further research

With regard to accomplish some further research in this issue it is necessary to base the research on more than two organizations to make it a valid study. With a greater dataset it will be possible to accomplish the important analyses of correlation, which give answer on the research question and the hypotheses.

It also has to be mentioned that this research is unique until now, which means that the measured variables are for the first time in a research constellation like this. This means that the concept of this research could be replicated in the same way in order to get clear answers instead of only tendencies of possible correlations.

Nevertheless the problematic of this thesis remains an interesting topic in order to support technical organizations in competition and improve the overall performance. Thus further research concerning the interrelationship of these variables is certainly of added value and is scientifically essential.

References

Allen, N. J., & Meyer, J. P. (199o). Affective, continuance, and normative commitment to the organization: An examination of construct validity. *Journal of Vocational Behaviour, 49*, S. 252-276.

Bowen, D. E., & Ostroff, C. (2004). Understanding HRM-Firm performance linkages: the role of the strength of the HRM system. *Academy of Management Review , 29* (2), S. 203-221.

Burton, R. M., Lauridson, J., & Obel, B. (2004). The impact of organizational climate and strategic fit on firm performance. *Human Resource Management , 43* (1), pp. 67-82.

Dess, G., & Davis, P. S. (1984). Porter's generic strategies as determinants of strategic membership and organizational performance. *Academy of Management Journal , 27*, S. 467-488.

Dorenbosch, L.W., Reuver, R.S.M. de, & Sanders, K. (2006). Getting the HR message across: The linkage between line- HR consensus and "commitment strength" among hospital employees. *Management Revue, 17(3),* S. 274-291

Ellemers, N., de Gilder, D., & van den Heuvel, H. (1998). Career-oriented versus team-oriented commitment and behavior at work. *Journal of applied psychology , 83* (5), S. 717-730.

Franke, G. R., & Park, J.-E. (2006). Salesperson adaptive selling behavior and customer orientation: a meta-analysis. *Journal of Marketing Research , XLIII*, S. 693-702.

Gibcus, P., & Kemp, R.G.M. (2003). Strategy and small firm performance. Research Report H200208, Zoetermeer: EIM.

Hemmelgarn, A. L., Glisson, C., & James, L. R. (2006). Organizational Culture and Climate: Implications for Services and Interventions Research. *Clin Psychol Sci Prac , 13*, S. 73-89.

James, L. R., Choi, C. C., Ko, C.-H. E., MCNeil, P. K., Minton, M. K., Wright, M. A. (2008). Organizational and psycholgical climate: A review of theory and research. *European Journal of work and organizational psychology , 17* (1), S. 5-32.

James, L. R., Jones, A. P. (1974). Organizational climate: a review of theory and research. *Psychological Buttelin,* 81 (12), 1096-112.

Janssen, O. (2000). Job demands, perceptions of effort-reward fairness and innovative work behavior. *Journal of occupational and organizationalpsychology , 73*, S. 287-302.

Kutner, M., H., Nachtsheim, C., J., Neter, J., William, L. (2005), *Applied Linear Statistical Models,* 5th ed. New York: McGraw-Hill.

Miles, R. E., Snow, C. C., Meyer, A. D., & Coleman Jr., H. J. (1978). Organizational Strategy, Structure and Process. *The Academy of Management Review , 3* (3), S. 546-562.

Miller, D. (1986). Configurations of Strategy and Structure: Towards a Synthesis. *Strategic Management Journal , 7* (3), S. 233-249.

Rozell, E. J., Pettijohn, C. E., & Parker, S. R. (2004). Customer-oriented selling: exploring the roles of emotional intelligence and organizational commitment. *Psychology & Marketing , 21* (6), S. 405-424.

Saxe, Robert, and Weitz, Barton A. (1982). The SOCO Scale: A measure of the customer orientation of salespeople. *Journal of Marketing Research.* 19, S. 343-351.

Shipton, H., West, M. A., Dawson, J., Birdi, K., & Patterson, M. (2006). HRM as a predictor of innovation. *Human Resource Management Journal , 16* (1), S. 3-27.

Torka, N. (2003). Flexibel maar toch betrokken : de samenhang tussen contractrelatie en betrokkenheid. *University of Twente.*

Vandenberghe, C., Bentein, K., & Stinglhamber, F. (2002). Affective commitment to the organization, supervisor, and work group: Antecendents and outcomes. *Journal of vocational behavior , 64*, S. 47-71.

Wijnberg, N. M. (2004). Innovation and Organization: Value and Competition in Selection Systems. Groningen, The Netherlands.

Zammuto, R. F., & Krakower, J. Y. (1991). Quantitative and qualitative studies in organizational culture. Research in Organizational Change and Development, 5, 83–113.

Appendix

Table 1

Reliability Statistics

Variable	N of Items	Cronbach's Alpha
Strategic work behaviors		
Customer orientation	11	.941
Innovative behavior	9	.849
Knowledge sharing	10	
Affective commitment		
Total	28	.888
Work	4	.740
Organization	8	.670
Occupation	6	.744
Supervisor	5	.906
Team	5	.636

Table 2

Organizational strategy

Strategy	Hamacher		Olbrich	
	Mean	SD	Mean	SD
Service	3.69	.99	3.67	.72
Cost leadership	3.57	.74	3.67	.00
Marketing	3.43	.85	3.54	.75
Innovation	3.33	.93	3.50	.94
Process	3.25	.90	2.58	.42

Table 3

Organizational climate

Climate Elements	Hamacher		Olbrich	
	Mean	SD	Mean	SD
Trust	3.45	.63	3.34	.93
Morale	3.17	.81	3.46	1.01
Rewards equitability	2.76	.83	2.53	.94
Leader credibility	3.83	1.00	3.22	1.03
Conflict	2.72	.80	3.11	.84
Scapegoating	3.34	.77	3.34	1.09
Resistance to change	3.25	.93	3.75	1.11

Table 4a

Firm A: Organizational strategy – organizational climate fit

Stratey	Service diff	Cost leader	Market diff	Innovate diff	Process diff
Climate	Develop.	Internal	Rational	Develop.	Internal
Ranking strategy	5	4	3	2	1
Ranking climate	5	4	3	5	4
Difference scores	0	0	0	3	3
Multiplied	0	0	0	6	3

TOTAL = 9

Table 4b

Firm B: Organizational strategy – organizational climate fit

Stratey	Service diff	Cost leader	Market diff	Innovate diff	Process diff
Climate	Develop.	Internal	Rational	Develop.	Internal
Ranking strategy	5	5	3	2	4
Ranking climate	3	5	4	3	5
Difference scores	2	0	1	1	1
Multiplied	10	0	3	2	4

TOTAL = 19