

## CLIMATE IN ONE BUSINESS ENTERPRISE AND POSSIBILITIES OF ITS IMPROVEMENT

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### Abstract

The goal of this article is to evaluate climate in one business enterprise and to suggest possibilities for its improvement. The following objectives were set to attain the established goal: 1) to disclose a contemporary attitude towards organisational climate; 2) to carry out quantitative research on climate in a business enterprise; 3) to suggest possibilities for improving organisational climate. The methods of scientific literature analysis and anonymous questionnaire survey were applied in the research, which allowed evaluating current climate of business enterprise objectively and suggesting possibilities for its improvement. So far Lithuanian business enterprises have not been investigated following the four factors predetermining climate in an enterprise, i.e., motivation, leadership, communication and organisational structure. Thus, possibilities for improving climate in a business enterprise can be applied in other business companies, which aim at ensuring successful and productive activities of their employees. The research results showed that good climate in an enterprise is predetermined by 1) friendly, understanding, kind, collaborating colleagues, who get along with each other; 2) a democratic, understanding and collaborating leader; 3) motivating salary. Considering this, it is recommended for a leader: 1) to build a team, whose members experience positive emotions working and relaxing together; 2) to contact with employees as much as possible; 3) to create an innovative and unique system of staff motivation that is suitable namely for his / her company. These possibilities for improving climate could contribute to solving problems not only in the investigated enterprise but also to dealing with those in a big number of other enterprises.

**Key words:** business enterprise, organisational climate, factors predetermining organisational climate, motivation, leadership, communication, organisational structure.

**JEL Classification:** F64, L32.

### I. INTRODUCTION

A big number of people spend most of their time at work – many of them work in the same workplace for many years. All individuals want to work where they feel good and where they are satisfied. Namely good environment makes employees happy, and it is “an intangible aspect of the environment because it involves the emotional aspect of the employee. It is only the employees who feel it” (Abun et al., 2021, 108). Thus, not only properly organised workplace, links with the leader and colleagues but also motivation of the individual himself or herself, his / her psychological state, attitude towards co-workers who s/he works with acquire importance. Good organisational climate has favourable influence on the person’s health (lifts mood, reduces stress), helps for an enterprise to achieve better results. To efficiently function and progress, to remain competitive in the market and attractive to its employees, an enterprise needs appropriate climate. Favourable climate ensures employees’ motivation and their loyalty; guarantees non-conflict relations between the leader and employees, promotes fruitful collaboration not only within an enterprise but also outside it, i.e., with clients. Thus, it can be stated that successful activity of an enterprise is predetermined by good climate, which is directly related to employees’ productivity and creativity (for more information on organisational climate and creative indicators in the public sector see: Mutonyi et al., 2020, p. 615–631).

However, the reality of an enterprise is slightly different, and it is *problematic* – its climate is not sufficiently favourable and does not encourage employees to work efficiently. People working in an enterprise are not fully satisfied with their working environment, they lack motivation for work and complain about the management style. They also mention insufficient communication among employees and division in an enterprise. Seeking to confirm or reject the aforesaid *hypothesis*, the *research object* is chosen: the climate in one business enterprise presenting itself as a successfully functioning company with more than 20 years of experience. The climate is evaluated from the perspective of four factors that predetermine it: motivation, leadership, communication and organisational structure and possibilities for its improvement are suggested as well. Thus, the results of research can help to draw attention of other business companies and recommendations can contribute to improvement of current situation in companies, to improve employees’ efficiency that directly

depends on the climate in an enterprise, which, according to Gosain & Sinha (2021, p. 1014) “is a unique way in which the people experience their work environment. One can understand the meaning of “climate” when he or she tries to seek the answer to the following questions: 1. How does it feel to work here? 2. How do individuals and employees feel while operating in this culture? 3. How do the management decisions affect the employees and their work? 4. What impact does leadership have on the employees?”

## **II. THEORETICAL BACKGROUND**

Following various researchers, S. Shintri and S. Bharamanaikar (2017, p. 653–654) state that organisational climate can be explained by: 1. Gestalt psychology, which claims that people try to perceive or just perceive the order and create it in own environment to be able to efficiently adapt own behaviour to working experience. 2. Functionalism, which transfers “the order” determined by Gestalt psychology to behaviour: individuals functionally adapt and respond accordingly. 3. The model of compliance between a person and environment where it is important to ensure that individual characteristics are in line with environmental ones. 4. Lewin’s Field Theory that emphasises interaction of all the three factors (person, his / her and environment) that contribute to formation of organisational climate (Shintri & Bharamanaikar, 2017, p. 653–654). Organisational climate is a dynamic process, which reflects the relationship between the person and his / her environment; moreover, it is of long-term character, may vary and has influence on human behaviour. People perceive environment in which they function differently, its objects, other persons, events and attribute different meaning to stimuli that they feel (All Answers Ltd, 2018). Thus, positive organisational climate or just organisational climate is usually referred to “as a set of measurable properties of the work environment that are supposed by the people who live and work in it and influence their behaviour and motivation”; it is also said to consist of “a set of characteristics that describe an organisation, distinguish it from other organisations are relatively enduring overtime and influence the behaviour of people in it” (Gosain & Sinha, 2021, p. 1014); or is understood as “the general character of the total organizational environment as perceived by those who work within it. It is an expression of the organizational culture” (VandenBos, 2007); as “material conditions (organisation of workplaces, services, environment) and subjective factors (philosophy of enterprise, management style, employees’ communication, level of physical and spiritual satisfaction)” (Term Bank of the Republic of Lithuania, 2005–2020; see: Ehrhart & Schneider, 2016). It can contribute to increasing employees’ satisfaction, creating better human relations and can enhance organisational commitment as well as predetermine productivity (All Answers Ltd, 2018). “Organizational climate refers to employees currently shared perceptions of their experience working in the organization at any given time that includes impressions, attitudes, feelings, and expectations of the wider organizational culture” (Hibbert, 2020, p. 90). According to Ch. Gosain and S. Sinha (2021, p. 1015), organisational climate can influence an employee in an organisation in the following four ways: “1. As a constraint system. 2. By evaluating the self and others. 3. By acting as a stimulus. 4. By helping the individual to form a perception.”. The working style of an employee considerable depends on the climate in an enterprise (Moslehpour et al., 2019, p. 4).

M. Gorsira et al. (2018, p. 1–2) touch one more important aspect – corruption, which is characteristic of both public and private organisations and is defined as “abuse of public power for private benefit”. The others made attempts to disclose how incompatible organisational and individual factors build up corruption; it was established that the more ethical and less egoistic organisational climate is, the less corruption is observed among employees (Gorsira et al., 2018, p. 1). Although every employee decides and is responsible for own actions himself or herself, the position of manager-leader, organisational culture formed by him / her, ethical norms and rules as well as implemented policy acquire utmost importance; employees’ behaviour in organisations is a result of employees’ personal qualities and environment where they work. The attitude of employees towards work is influenced by various organisational qualities and social relations, which make up the working environment of employees (Gosain ir Sinha, 2021, p. 1018).

It should be noted that by own essence and being employees provide meaning to own working places and in some other cases, give meaning to own essence / being (Schneider & Barbera, 2014). Not all the organisations are concerned about their climate and, therefore, cannot boast of intense engagement of its employees into work, its employees are not particularly creative and efficient. Organisational success directly depends on its employees, which created added value to an enterprise. Thus, it is particularly important to create as favourable climate as possible and enable an enterprise and its employees to experience mutual success. There is a very strong link between organisation’s success, employees’ wellbeing and their motivation: the employees’ wellbeing is preconditioned by success of organisation. This finally enhances employees’ motivation, their better productivity and implementation of organisational goals (Gosain & Sinha, 2021, p. 1012).

It is important to mention that organisational climate is one channel through which growing problems related to competition, level of high technological novelties, changes in nature and structure of organisation and challenges faced by employees (e.g., redefined work contracts, formularisation with new business processes, flexible work models, balance between work and personal life) can be solved; every enterprise that is willing to

be innovative, should create organisational environment of innovations (Martinez-Arroyo & Valenzo-Jimenez, 2020, p. 148, 150). Moreover, M. Rožman M. and T. Štrukelj (2021, p. 781) state that certain factors, which have considerable influence on organisational climate, exist in every organisation. The afore-said authors, following Viitala et al. (2015), claim that “there is a strong relationship between organisational climate and a high level of employees’ well-being at work and work engagement” (Rožman & Štrukelj, 2021, p. 776); the authors created a multi-dimensional model of components comprising organisational climate, which can contribute to work engagement of its employees. The model consists of the following indicators: 1) leadership, 2) employee relations, 3) employee commitment, 4) employee satisfaction and 5) employee motivation (Rožman & Štrukelj, 2021, p. 781). According to Litwin & Stringer, Gosain & Sinha (2021, p. 1015) distinguish 6 factors: 1) organizational structure, 2) individual responsibility, 3) rewards, 4) risk & risk taking, 5) warmth & support, 6) tolerance & conflict. Stating that “the formation of the organizational climate is affected by the nature of interpersonal relationships, the nature of hierarchy, the nature of work, and management support and reward” (Martinez-Arroyo & Valenzo-Jimenez, 2020, p. 149–150), J. A. Martinez-Arroyo & M. A. Valenzo-Jimenez (2020, p. 150–152) distinguish scientifically confirmed factors that have influence on organisational climate: 1) motivation, 2) leadership, 3) communication and 4) organisational structure. Firstly, seeking to motivate an employee, an enterprise creates a certain set of factors with objective of “provoking a certain behaviour of its workers, directed to the collective well-being and of the organization” (Martinez-Arroyo & Valenzo-Jimenez, 2020, p. 150); secondly, a true manager-leader with authentic leadership (which is highly appreciated in the contemporary business world) will recognise contribution of employees and their performance to pursuance of goals: “when workers are recognized for their good work, the actions and behaviours desired by the organization coincide with the culture and objectives established in the organization” (Martinez-Arroyo & Valenzo-Jimenez, 2020, p. 151); thirdly, under conditions of appropriate communication, the goals of enterprise are understood, accepted and implemented; all the management processes within an enterprise are carried out through it; fourthly, when small divisions of an enterprise coordinate their actions (working together, sharing information, and watching out for one another, individuals could build communication and coordination channels to exchange relevant expertise and knowledge), implementation of all the strategic assignments can be expected; the structural relationships in which people work have an effect on the attitudes and behaviour of employees (Martinez-Arroyo & Valenzo-Jimenez, 2020, p. 150–152).

The influence of organisational climate on human behaviour was also confirmed by researchers Litwin and Tagiuri (for more information see: Forte, 2003). Taking into account the opinion of the above-mentioned authors that organisational climate is a sum of people working in an organisation and that realia of organisation are understood only the way it is understood by members of this organisation (Forte, 2003, p. 64), it is important to identify the opinion of employees themselves about motivation, leadership, communication and organisational structure. Although it is theoretically clear what organisational climate should be like, the practice, i.e., research on the real business enterprise, can disclose contrary results that correct or expand theoretical statements. However, organisational climate should be approached in a much broader way because it refers not only to a sum of human resources, which strives for a common goal but also to “an “open system” permeable to the influence of the surrounding external environment” (Bonacci et al., 2020, p. 2); it is not only a result and a factor that predetermine employees’ behaviour but also a “mediator” for what concerns the productivity of the system” (Bonacci et al., 2020, p. 1–2).

### **III. RESEARCH METHODOLOGY**

Seeking to identify the climate in the investigated business enterprise and presenting possibilities for its improvement, the best method of quantitative research, i.e., questionnaire survey, was chosen because it does not require much time and a respondent can fill it in at the time convenient to him or her. Moreover, questionnaire ensures confidentiality for employees (who are best aware of the level of enterprise’s quality) and they are able to freely express their opinion. This method is also efficient because it helps to identify collective opinion, i.e., that of “sum of individuals”. The questionnaire form was devised on the basis of independent variables / factors – motivation, leadership, communication and organisational structure, which were identified during the scientific research as predetermining organisational climate best by J. A. Martinez-Arroyo & M. A. Valenzo-Jimenez (2020, p. 154). The questionnaire form consists of 2 blocks of questions that aim at clarifying respondents’ demographic data (gender, age, working experience in an enterprise) and their attitude towards the aforesaid variables / factors. The research sample included 20 employees from the chosen business enterprise, who were requested to indicate factors that, according to them, predetermine good climate in an enterprise and to evaluate (mark the most appropriate) every statement about the variables / factors (motivation, leadership, communication and organisational structure) using a five-point scale, where 1 – “not at all characteristic”; 2 – “slightly characteristic”; 3 – “moderately characteristic”; 4 – “very characteristic”; 5 – “extremely characteristic”. Having received the respondents’ data, the averages were calculated, later generalising conclusions were drawn and possibilities for improving climate were suggested.

IV. RESEARCH RESULTS AND FINDINGS

Before a more detailed analysis of research results, it should be mentioned that 50 % of men and 50 % of women took part in the survey. The biggest number of employees working in the enterprise belong to the age group of 31–40 years (70 %). The proportions of employees in the age group of 21–30 years (15 %) and 41–60 years (15 %) were smaller. The enterprise does not employ people under 20 years and over 61 years of age. Thus, it can be stated that the basis of the investigated enterprise consists of employees attributed to rather productive age, who can achieve excellent personal and company results in the favourable climate. The responses of respondents showed that the biggest number of employees have working experience from 1 to 5 years (35 %), other respondents indicated 11–15 years (30 %), 6–10 years (25 %), 16–20 years (5 %) and 21 and over (5 %). It is obvious that the bigger proportion of employees (65 %) have been working in the enterprise for more than 5 years, which means that the investigated enterprise has a rather stable work team and turnover of employees is not typical of it. It can also be assumed that the top-management applies necessary means for retaining its employees.

Having clarified the respondents’ demographic data, attempts were made to further analyse how employees evaluate the climate in their enterprise (using a five-point scale) according to four factors that predetermine it, i.e., motivation, leadership, communication and organisational structure.

Firstly, the respondents were asked to evaluate the factors that predetermine employee motivation. The results of respondents’ survey are presented in Figure 1 (see: Fig. 1 ).

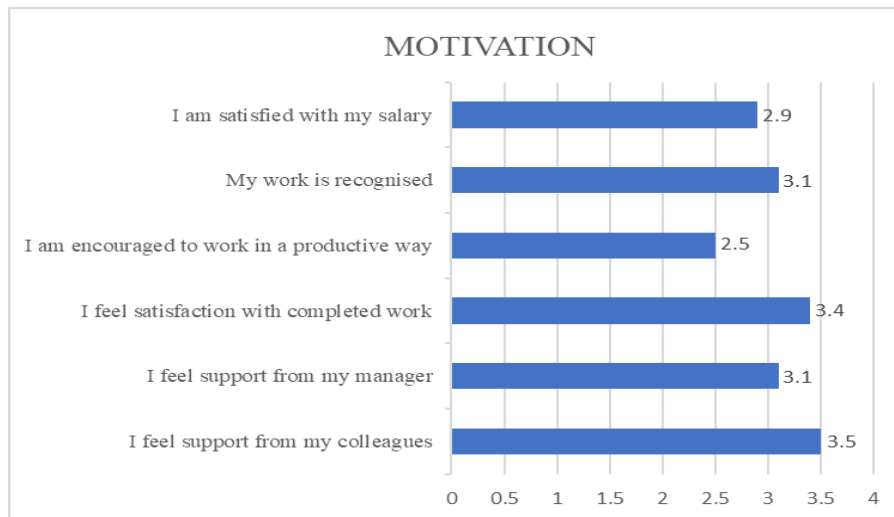


Fig. 1. Evaluation of employee motivation according to the factors that predetermine it

The figure shows that none of the factors predetermining motivation received more than 4 points. This confirms that employees in the investigated enterprise are not sufficiently motivated because, firstly, the enterprise does not have any established measures that encourage an employee to work productively (the statement “I am encouraged to work in a productive way” received 2.5 points out of 5). Secondly, employees are not fully satisfied with their salary (this statement received 2.9 points out of 5). To increase employees’ productivity and motivation to work, they have not only to get salary that reflects their performance but also to feel support from the leader and recognition of completed work. It is obvious that these interrelated factors are not typical of the investigated enterprise because the respondents gave the same evaluation to them both (3.1 points out of 5). The results reveal that satisfaction with conducted work (3.4 points out of 5) and support from the colleagues (3.5 points out of 5) are moderately characteristic of the respondents. Thus, generalising the data it can be stated that the factor that preconditions the climate in the enterprise is evaluated moderately (the total average of all factors is 3.1) and the top managers should draw their attention to this and find measures for its improvement.

According to Yantu (2018, p. 334), organisational climate does not influence employee motivation but it is predetermined by employees’ willingness to learn, their inner satisfaction that derives from curiosity, a desire of self-expression and set a challenge for themselves (more on the influence of organisational climate on work motivation of government employees see: Yantu, 2018, p. 330–335; also cited by Rusu, Avasilcai, 2014, p. 51–58).

After evaluation of employee motivation, further the respondents were asked to evaluate the factors that precondition leadership. The results of respondents’ survey are generalised in the figure presented further (see: Fig. 2).



Fig. 2. Evaluation of leadership by business enterprise employees according to the factors that predetermine it

The figure shows that leadership, which predetermines good organisational climate, is evaluated lower than the previously discussed motivation as the total average of all factors equals 2.8 points out of 5. All the factors preconditioning leadership and presented in the figure are only “slightly characteristic” of the respondents. “Making decisions in a group” received the lowest evaluation (2.7 points out of 5). It is also obvious that the leadership style and the leader’s encouragement to pursue the goal are “slightly characteristic” of the enterprise – both factors are assigned the same number of points (2.8 out of 5). This is apparently not accidental – they are directly interrelated with each other because the leader with perfect managerial skills is able to organise in a way, which allows for the whole team to pursue common goals, make collective decision in a group and solve emerging problems (the latter statement was evaluated 2.9 points out of 5 by the respondents). Thus, the factor of leadership, which predetermines the success of enterprise and good climate, should be taken into account by the leader even more.

Following Abun et al., (2021, p. 109), organisational climate does not derive from the external environment – it is firstly created by the leader and, therefore, he or she can manage it. Positive or negative organisational climate is a product of leadership. If the climate evaluated by employees is not favourable, the level of leadership skills obtained by the leader is not high (Abun et al., 2021, p. 109). According to the employees, seeing and feeling inappropriate planning, organisation, controlling and managing by their leader, they will not have motivation to work in such an environment and to attain common goals. S. L. Fonseca et al., (2019, p. 578) states that aiming at institutional goals, firstly it is necessary to reduce the conflict of employees’ and enterprise’s needs. It is also relevant to take into consideration individual needs of employees because when the leader is aware of desires and needs of his / her employees, he or she can apply efficient measures to pursue the company’s goals and satisfy employees’ expectations. However, very frequently the leader is not aware of real situation in the enterprise and does not know his / her subordinates. An employee can engage in work, invest more efforts and fulfil his / her obligations only possessing motivation to do this.

Employees in an enterprise “is the only resource which can use all other resources to achieve organizational objectives” (Gosain and Sinha, 2021, p. 1011). Thus, it is particularly important to enable an employ to feel satisfied with work and namely organisational climate can create conditions for this (Gosain and Sinha, 2021, p. 1018).

Further, the respondents were requested to evaluate factors that have influence on communication. The results of respondents’ survey are presented in Figure 3 (see: Fig. 3).

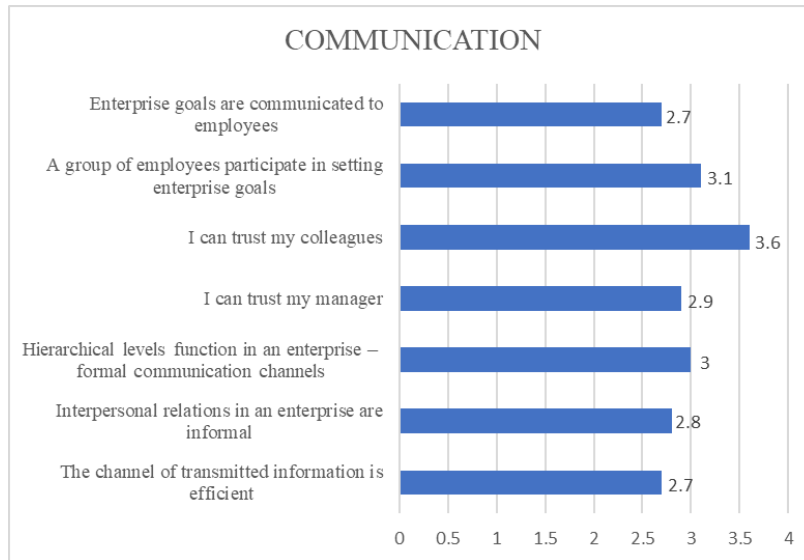


Fig. 3. Evaluation of communication by business enterprise employees according to the factors that predetermine it

The survey results generalised in the figure show that at least two factors are characteristic of the respondents: “enterprise goals are communicated to employees” and “the channel of transmitted information is efficient” were both evaluated assigning 2.7 points out of 5. It can be assumed that employees are unaware of company’s goals or only “a group of employees participate in setting enterprise goals” (3.1 points out of 5); in their workplaces they perform only functions that are assigned to them, there is no direct communication with them, the leader does not speak with every employee and receives information from other employees because “hierarchical levels function in an enterprise” (3 points out of 5). Then, the leader is trusted only to some extent (the factor was given 2.9 points out of 5). Some more causative links of certain factors can be identified. It is obvious that employees are only moderately trusted in the enterprise (3.6 points out of 5) because more formal interpersonal relations prevail in the enterprise and informal relations are only “slightly characteristic” (2.8 points out of 5). Having evaluated the factors that determine employees’ communication, the total average of 2.9 points out of 5 is identified. And this is the third factor relevant to the organisational climate, which is rated less than 4 points. Thus, the enterprise has several problematic areas, which have to be improved seeking to ensure smooth and fruitful work, encouraging employees to work eagerly and ensuring support not only from the top-management but also from co-workers.

To function properly, an enterprise needs an organisational structure. Thus, the respondents were asked to evaluate the factors that predetermine an organisational structure in their enterprise. The generalised results of respondents’ survey are presented in Figure 4 (see: Fig. 4).



Fig. 4. Evaluation of organisational structure by enterprise employees according to the factors that predetermine it

The results presented in the figure reveal higher points assigned to factors relevant to organisational structure compared to the previously discussed factors of motivation, leadership and communication. The total average is 4.2 points out of 5 and this means that the factors predetermining an organisational structure are “very characteristic“ of the investigated enterprise. Physical environment is of utmost importance to every enterprise, and it contributes to establishment of good climate. Every employee needs an ergonomic workplace with all the means needed for performing work-related functions. Not all the enterprises allocate attention to favourable spaces to their staff members.

One factor, i.e., “an enterprise has a work team” calls for special attention because its evaluation stands out of all evaluations of other factors and equals 3.9 points out of 5. The afore-said factor highlights the main problem – the enterprise has not formed one team or collective consisting of members that collaborate with each other and influence the performance results in the enterprise. Thus, a hypothesis can be raised that the enterprise’s results are also below the average but to approve or reject it a separate study is needed.

The generalisation and a repeated analysis of all the factors that determine the organisational climate (motivation, leadership, communication and organisational structure) allows stating that the following interrelated factors were ranked lowest (see: Fig. 5):

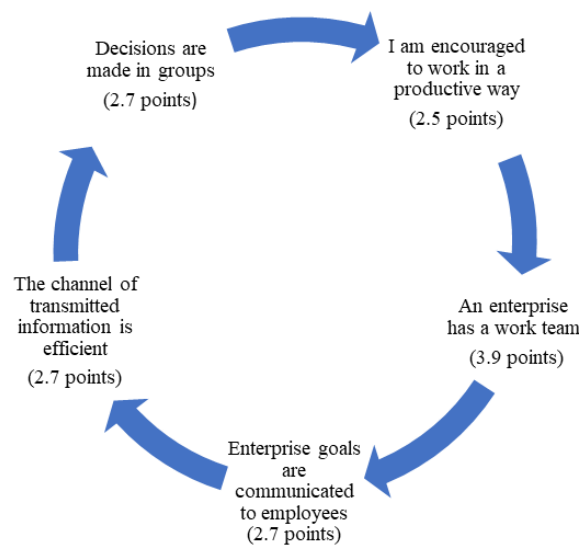


Fig. 5. The factors least characteristic of the investigated business enterprise

The average evaluation of factors in the figure (2.9 points out of 5) shows that they are only “slightly characteristic” of the investigated enterprise. On its internet website, the enterprise states that particular importance is attached to creating high quality and reliable products; to maintaining perfect relations with clients and to exceeding its clients’ expectations; to growing and preserving the culture of innovation creation. However, seeking to ensure productive work that focuses on attainment of organisational goals, an enterprise has to form a work team, to clearly communicate organisational goals to employees, to constantly communicate employing an efficient channel and only, when all the decisions are made in a group taking into account opinions of all the employees, who form the foundations of an enterprise and predetermine its success, then an employee will be encouraged to work productively because he or she will feel an integral part of enterprise. Having strengthened the chain of factors that predetermine motivation, leadership, communication and organisational structure, the climate in the enterprise would improve because it is obvious that in this particular case it is not the salary (material things) but acknowledgement of them as team members and their participation in the discussion of organisational goals and decision-making (psychological things) that are important.

The employees of business enterprise were asked to name the factors that, according to their opinion, could contribute to creating good organisational climate and improving their productivity and performance results.

After grouping all the responses in terms of their frequency, the main factors conditioning good organisational climate were distinguished (see: Fig. 6).



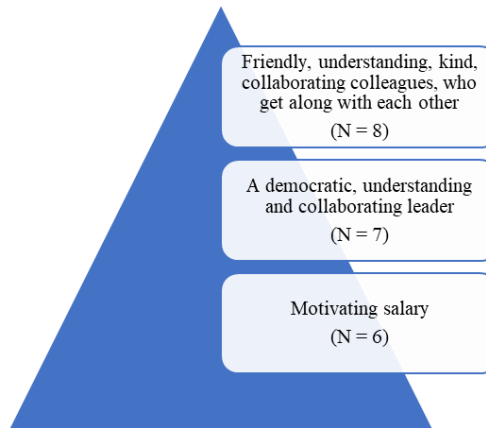


Fig. 6. The most relevant factors contributing to good organisational climate as indicated by the business enterprise employees

The figure clearly shows that the employees see friendly, understanding, kind, collaborating colleagues, who get along with each other (N = 8) as the most important factor; a democratic, understanding and collaborating leader (N = 7) is the second most significant factor and motivating salary (N = 6) is ranked third. It is quite common to think that salary is the most motivating means for employees, but the results of survey show that employees in the investigated enterprise find surrounding people, i.e., co-workers and top management as well as relations with them important and this is “an indicator of the level of employee well-being at workplace” (Gosain and Sinha, 2021, p. 1017).

Next to the three main factors that determine good climate, the respondents also mentioned the following ones: physical working environment (well projected and balanced systems of heating, cooling and ventilation systems) (N = 3); motivation (N = 3); flexible, free working schedule (N = 3); fringe benefits (increment, health insurance, etc.) (N = 2); respect (N = 2); equal opportunities (N = 1); positive prevailing atmosphere and emotions at work (N = 1); enjoyable work (N = 1); support (N = 1); understanding (N = 1); leisure activities organised in the enterprise (N = 1); smooth information dissemination / presentation in the enterprise (N = 1); absence of psychological pressure (N = 1); responsibility (N = 1); recognition (N = 1); system (N = 1). As it can be seen, the majority of responses are provided by separate respondents, and they do not repeat. Such a diversity of responses indicates individuality of people and the fact that their needs and opinions differ as well. Every factor that predetermines the climate is important and weighty because they can be referred to as “predictors of employee well-being” (Gosain and Sinha, 2021, p. 1018). Thus, striving for well-being of his / her company, the leader has to speak to every employee individually, to consider and to hear everybody because “organizational climate factors do not contribute more to spurring employee motivation because the employees <...> are basically intrinsically motivated from within themselves“ (Yantu, 2018, p. 334) and the employees desire to work or not to work depends on his / her inner motives.

## V. CONCLUSIONS AND SUGGESTIONS

Generalization of research results shows that the hypothesis formulated in the beginning of the article that employees working in the enterprise are not fully satisfied with their working environment, do not possess motivation to work, complain about leadership style and communication among employees and divisions is insufficient, was confirmed. On the basis of previously presented results, the weak sides in the investigated enterprise can be indicated, which have to be eliminated or improved: 1) employee team / collective; 2) the leader’s communication; 3) salary. The latter factor can be discussed in a more detailed way and means to increase the employees’ salary could be suggested because making attempts to retain an employee, an enterprise has to pay a just salary that reflects his / her performance results to ensure that an employee feels evaluated, safe, satisfied and sure about the future being paid motivating salary. However, it is obvious that the employees in the investigated enterprise are much more concerned about their relations with colleague and the leader. Therefore, it is particularly important to strengthen this aspect. To make the afore-said “well-being indicator” sufficiently high, a contemporary leader of company, who to big extent contributes to good organisational climate and who forms the culture and values of enterprise, has:

1. To form a team, whose members experience positive emotions working and relaxing together. Firstly, it is recommended to include events of *teambuilding* into the agenda; being more in an informal environment, where people not only unite but also acquire certain skills. The ideas for events could be suggested by employees (in such a way the channel of communication that is insufficiently efficient at present would become open). Teambuilding activities allow better learning of colleagues, encourage confidence and creates interpersonal



relation. The probability of conflicts decreases in the working environment. When employees know each other better, have experience in communicating with each other in the informal environment, the risk of misunderstanding each other in the formal environment is lower, fewer mistakes are made, employees are braver in expressing their opinion. They are not afraid to speak, do not feel constrained and become freer. Aiming at real improvement of team efficiency and enhancement of inner communication of enterprise, such means of teambuilding should be applied as frequently as possible, particularly considering the employees' needs.

2. To communicate with own employees as much as possible. When top managers do not communicate at all or communicate very little with employees, the process of information exchange does not occur – employees do not receive evaluation, recognition or the leader's feedback, in other words. In such situations employees do not feel important to their enterprise, top managers are not aware of what concerns, problems bother their employees or what good ideas, which could be implemented in their enterprise, they may have. A good leader with managerial, democratic and authentic leadership style, firstly, listens to another person and makes decisions together with colleagues (employees are not subordinates but colleagues). Employees should be included into the activities of enterprise as equal partners, and they have to feel that they are personalities that are important for an enterprise. When an employee receives personal attention, he or she is encouraged to act and pursue common goals. Thus, in this case it is particularly important for the leader to change his or her traditional attitude and even to adapt to employees, who make up the majority in the enterprise and who contribute to company's performance results and success. A good manager-leader is not the one, who manages a group of people in general, but the one, who ensures working conditions that are favourable for every employee.

3. To create an innovative, unique motivation system that is tailored to this particular enterprise (as every company is specific and individual and for this reason a motivation system of any other enterprise cannot be applied; moreover, an enterprise does not have any motivation standards), considering intrinsic motivating factors because traditional motivating factors are not a priority for a contemporary employee. Top managers should clarify and consider needs of every employee because the intrinsic motivation (desires, curiosity, need for challenges) is the most important. Thus, the leader has to speak with his / her employees, who directly have influence on company's results and success, to evaluate their work, to hear everybody's needs and find ways and measures to satisfy them because only a strongly satisfied employee will appreciate his / her work and will find inner resources to work productively and achieve results. Undoubtedly, the motivation system has to be created considering values and culture of enterprise. And only when the conflict of inner factors of enterprise and employees are solved, favourable organisational climate could be created.

Thus, generalising it can be stated that a contemporary leader can improve organisational climate in his / her enterprise and attain much better performance results only having taken into account individual needs of every employee because when employees enjoy their job and working environment as well as feel safe and happy, they can be productive and creative.

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