Research Article

THE ISSUES OF ORGANIZATIONAL CLIMATE, JOB SATISFACTION, DECISION MAKING ON PERFORMANCE MANAGEMENT: THE CASE OF MONGOLIA

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ABSTRACT

The aim of this study is to analyse the requirements for the impacts of organizational climate, job satisfaction, decision making on performance management in border sector in Mongolia. There are many scholars studied the relationship factors on performance management in the social science, but there is lack of study our topic in Mongolian border sector. Job satisfaction is the combination of different circumstances such as psychological, physiological, emotional, attitudes and environmental which leads to individual's satisfaction or dissatisfaction with their job. Decision-making involves the individual's or team's finalized choice based on two, three or even more rising problems to meet the most ideal solution. Performance management involves the process of all activities which occurs between an employer and an employee as support of accomplishing value, mission, vision, and main objectives in the organization. We analysed the relationship between organizational climate, job satisfaction, decision making and performance management in our study. We tried to study the factors which influence employee performance management in border sector, as well as the consequences of it. The data collected from 158 administrative, executive employers who work in the border sectors of Mongolia. The result of data determined through online in first quarter 2022 and estimated by SMART PLS 3.0 and SPSS-25.0 software and Cronbach's alpha index have been used for data analysis and reliability analysis of the questionnaire, respectively in our study.

Keywords: organizational climate, job satisfaction, decision making, performance management.

INTRODUCTION

Organizational climate is one of the main subjects for research in the domain of industrial and organizational psychology.At work, the individual evaluation of environment leads to multidimensional factors. The construct of such factors is known as organizational climate.(Kundu, 2007). Job satisfaction and effective performance of the employees within an organization is vital concern for organizational management to achieve goals and objectives (Bayasgalan, 2015). Job satisfaction is showing positive effects on human resources in organization(Tsogtsuren Bayasgalan, 2017). Performance management is a strategic and integrated approach to delivering sustained success for organizations by improving the performance of teams and individual contributors(Karim Salem, 2013). Scott and Bruce (1995) defined decision-making style as thehabitual, learned response pattern an individual exhibit whentackled with a problem or situation(Abubakar Mohammed, 2018). There are many scholars who have studied the relationship between organizational climate with job satisfaction, organizational climate with performance management, job satisfaction with performance management and decision making with performance management. But in Mongolia, there are not many scholars studied about these impacts in social science.

CONCEPTUAL FRAMEWORK AND HYPOTHESIS

The individual's job satisfaction and performance management are factors of contribution for successful organization. Also, one of the good managerial regulations for achieving the future success of an organization.

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Our study explains what the assessments for impacts of organizational climate are, job satisfaction, decision making on performance management. The conceptual models of factors onperformance management is drawn in Figure 2.1.

Figure 2.1. Conceptual models of factors on performance management
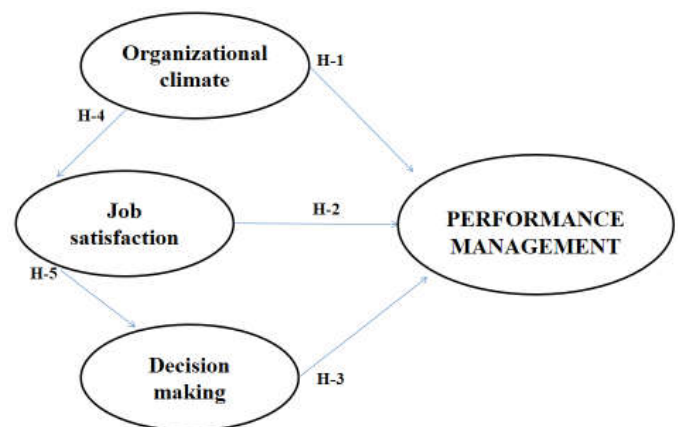
Source: Own diagram

We according in our study, it was hypothesized as below:

H1: Organizational climate will have a positive impact on performance management.
H2: Job satisfaction will have a positive impact on performance management.
H3: Decision making will have a positive impact on performance management.
H4: Organizational climate will have a positive impact on job satisfaction and to get performance management.

H5: Job satisfaction skills will have a positive impact on decision making and to get performance management.

RESEARCH METHODOLOGY

This study is causal research. The purpose of causal research is to find out the variables that might establish the cause-and effect relationships between the variables causing actions and responses. Cooper *et al.,* (1998) described that the most causal research relies on designed experimentation and simulation programs. Hussey (1997) studied the variables to find out the variables that might establish the cause-and effect relationships between the variables causing particular actions and responses(Ts.Bayasgalan, 2018)There are many software programs used to process data analysis, including Statistical Package for the Social Sciences (SPSS), SmartPLS, SAS, STATPAK or Excel. The most popular program is Statistical Package for the Social Sciences. In this study, SPSS and SmartPLS-3.0 were chosen for their simplicity and completeness. Firstly, according to Zikmund (2000) descriptive analysis refers to the transformation of the raw data into a form that will make it easy to understand as well as interpret. Secondly, the Cronbach Alpha testing will be used as the most well accepted reliability test tools applied by social researchers. Cronbach (1946) identified that in Cronbach's Alpha reliability analysis, the closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability. Cronbach's measures:

1. Reliability less than 0.6 considered poor.
2. Reliability in the range 0.7 is considered to be acceptable.
3. Reliability more than 0.8 are considered to be good(D.Baigalmaa., 2021)

Finally, Multiple Regression Analysis was conducted to examine the three dimensions in independent variables were the most important to explain the relationship. SPSS and SmartPLS were used to test the relationships between variables (Lkhagvasuren Bayarsaikhan, 2018).

RESULTS OF STUDY

We have resulted as soon as the reliable online questionnaires were identified, the data registered in the calculation system and data analysis has began. This section describes the demographic characteristics of respondents. Sample of all **158** respondents are currently working in border sector of Mongolia. In results of structure analysis, the outer loadings of 6 items of organizational climate ranged from 0.515-0.868, Cronbach's alpha of 0.812, Composite reliability of 0.861, Average Variance Extracted was 0.513. The outer loadings 7 items of job satisfaction ranged from 0.699-0.877, Cronbach's alpha of 0.885, Composite reliability of 0.910, Average Variance Extracted was 0.593. The outer loadings 6 items of decision making ranged from 0.538-0.845, Cronbach's alpha of 0.836, Composite reliability of 0.881, Average Variance Extracted was 0.557. The outer loadings 6 items of performance management ranged from 0.443-0.885, Cronbach's alpha of 0.758, Composite reliability of 0.833, Average Variance Extracted was 0.467 /Figure 2, Table 2/.

There are few outer loadings are negative results in this study as below:

- Do you provide good role models to others for a job? **0.688**
- Do you know your responsibilities? **0.515**
- Can you be open with your colleagues and help them solve their problems? **0.538**
- Do you get overworked in your main job? **0.433**
- Do you think experience is more important than knowledge in job performance? **0.505**/Table 2/

Figure 2. The result of Structure Analysis of Performance management
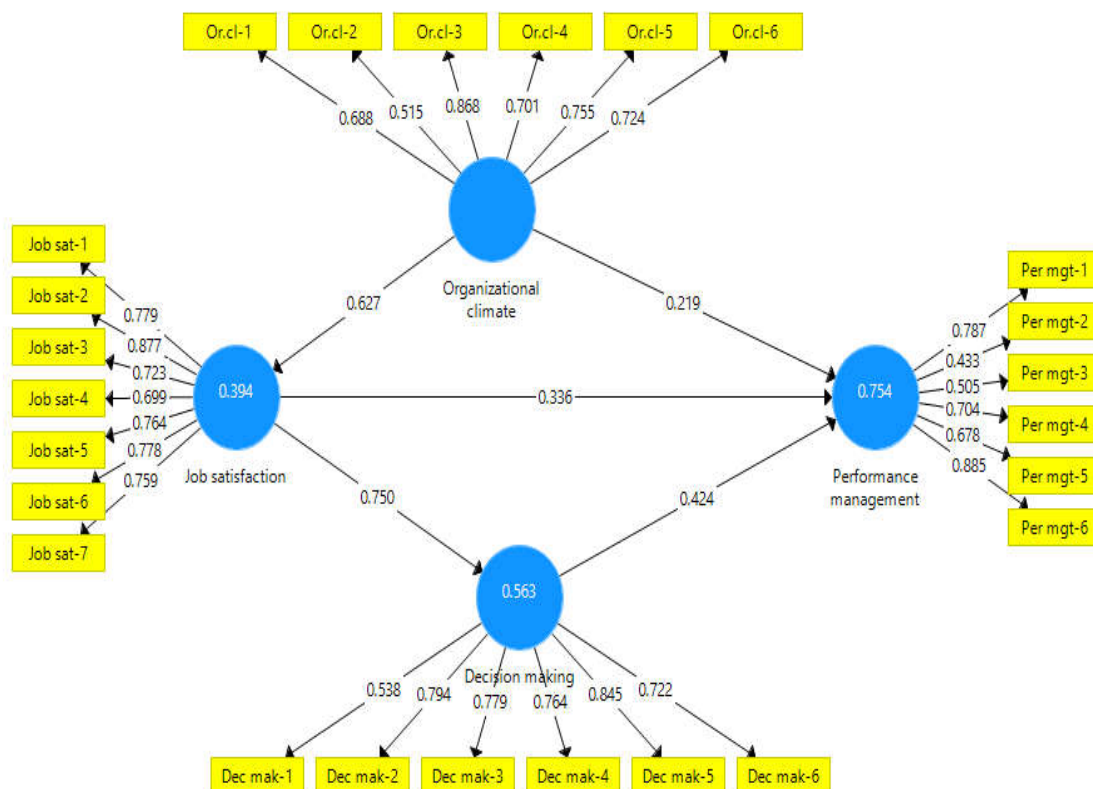
Noted: Or cl-Organizational climate, Job sat-Job satisfaction, Dec mak- Decision making, Per mgt-Performance management

Table 2. The list of items for each Construct

No	ITEMS	Codes	Factor analysis	Cronbach's Alpha	Composite Reliability	AVE
1	Organizational climate	Or.cl-1	0.688	0.812	0.861	0.513
		Or.cl-2	0.515			
		Or.cl-3	0.868			
		Or.cl-4	0.701			
		Or.cl-5	0.755			
		Or.cl-6	0.724			
2	Job satisfaction	Job sat-1	0.779	0.885	0.910	0.593
		Job sat-2	0.877			
		Job sat-3	0.723			
		Job sat-4	0.699			
		Job sat-5	0.764			
		Job sat-6	0.778			
		Job sat-7	0.759			
3	Decision making	Dec mak-1	0.538	0.836	0.881	0.557
		Dec mak-2	0.794			
		Dec mak-3	0.779			
		Dec mak-4	0.764			
		Dec mak-5	0.845			
		Dec mak-6	0.722			
4	Performance management	Per mgt-1	0.787	0.758	0.833	0.467
		Per mgt-2	0.433			
		Per mgt-3	0.505			
		Per mgt-4	0.704			
		Per mgt-5	0.678			
		Per mgt-6	0.885			

Noted: *Or cl-Organizational climate, Job sat-Job satisfaction, Dec mak- Decision making, Per mgt-Performance management*

Table 3. Latent Variable Correlations analysis

No	ITEMS	Decision making	JobSatisfaction	Organizational climate	Performance management
1	Decision making	0.747			
2	Job satisfaction	0.750	0.770		
3	Organizational climate	0.577	0.627	0.716	
4	Performance management	0.802	0.791	0.675	0.683

Noted: *Results of our study*

We are conducted SEM analysis when we checked latent correlations. There is more correlation between decision making and performance management as 0.802 while job satisfaction and performance management resulted 0.791 in this study /Table 3/.

Table 4. Estimated Path Coefficients on performance management.

HYPOTHESIS	Original sample	Standard deviation	TStatistics	P value	RESULTS
H-1: Org cl → Per mgt	0.219	0.133	1.650	0.100	Non supported.
H-2: Job sat → Per mgt	0.336	0.166	2.016	0.044	Supported
H3: Desmak→ Per mgt	0.424	0.151	2.810	0.005	Supported
H4: Org cl → Job sat→ Per mgt	0.211	0.225	1.752	0.080	Non supported.
H5: Job sat →Dec mak→ Per mgt	0.318	0.305	2.909	0.004	Supported

Noted: *Results of our study*

We proposed the coherence between structural model and hypothesized relationships. All tests of hypotheses were examined in every structure within an organization in this study.

Three hypotheses have been supported in this study as below:

- Job satisfaction had a positive impact to get performance management, P value was **0.044.**
- Decision making had a positive impact to get performance management, P value was **0.005.**
- Job satisfaction had a decision making on performance management, P value was **0.004.**

Unfortunately, two hypotheses have not supported in this study as below:

- Organizational climate had not positive impact to get performance management, P value was **0.100.**
- Organizational climate had not positive impact on both of decision making on and performance management, P value **0.080**/Table 4/.

CONCLUSION

The scope of this study involved only border sector in Mongolia. Our research tried to provide an effort to future researchers by preliminary concrete evidence to learn studies on the impacts of organizational climate, job satisfaction, decision making and performance management. There are many scholars who studied internal performance, decision, satisfaction and performance management relationships of border sectors and many other factors. But the differentiation of this study from many others is we analyzed 5 hypotheses, three of them had a positive relationship with considered impacts. On the other hand, the two hypotheses could not have a positive relationship on considered impacts. Due to time limitation, it is recommended that future survey can be expanded to remote isolated areas such as provinces of countryside in Mongolia.

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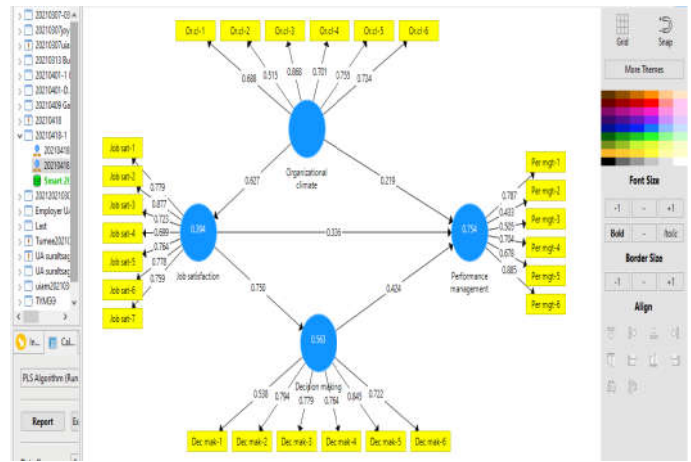
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EVIDENCE OF RESULTS

Path Coefficients

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics (|O|...	P Values
Decision making -> Performance management	0.434	0.408	0.151	2.810	0.005
Job satisfaction -> Decision making	0.750	0.767	0.090	8.297	0.000
Job satisfaction -> Performance management	0.336	0.341	0.166	2.016	0.044
Organizational climate -> Job satisfaction	0.627	0.657	0.080	7.861	0.000
Organizational climate -> Performance management	0.219	0.239	0.133	1.650	0.100

Specific Indirect Effects

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics (|O|...	P Values
Organizational climate -> Job satisfaction -> Decision making	0.471	0.506	0.096	4.907	0.000
Organizational climate -> Job satisfaction -> Decision making -> Performance management	0.200	0.202	0.081	2.456	0.014
Organizational climate -> Job satisfaction -> Performance management	0.211	0.225	0.120	1.752	0.080
Job satisfaction -> Decision making -> Performance management	0.318	0.305	0.109	2.909	0.004

Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Decision making	0.836	0.852	0.881	0.557
Job satisfaction	0.885	0.890	0.910	0.593
Organizational climate	0.812	0.847	0.861	0.513
Performance management	0.758	0.816	0.833	0.467

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