

# Organizational Climate Act As Mediator Between Psychological Ownership And Employee Contextual Performance

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## Abstract

*This research project was aimed to explore the mediating effect of organizational climate between the relationship of psychological ownership and employee contextual performance. 200 employees randomly selected from different organizations of Multan, Pakistan. Organizational Climate Scale, Psychological Ownership Scale and Contextual Performance Scale were utilized to get the information from the employees. Pearson product correlation, regression analysis and sobel test were performed to analyze the data. Correlation findings explored that organizational climate positively correlate with psychological ownership and contextual performance. Linear regression analyses revealed that psychological ownership has significant impact on contextual performance. Results indicated that psychological ownership has positive impact on organizational climate. Findings also depicted that organizational climate has significant impact on contextual performance. Sobel test findings explored that organizational climate has significant mediating effect between the relationship of psychological ownership and contextual performance. The implication of this study is beneficial to understand the role of organizational climate. Healthy and peaceful climate will be helpful in boosting the high level of psychological ownership and promote high level of employee's contextual performance.*

**Key Words:** Psychological Ownership, Contextual Performance, Organizational Climate, Employees, Mediator.

## Introduction

Late consideration has been given to ownership as a psychological process personified by the idea of psychological ownership. Ownership feelings of employees related to their work organizations known as psychological ownership. Psychological ownership was portrayed as a cognitive and affective concept characterized as, "the state of establishment in which people feel as if the target group of the ownership or a piece of this target group is you," and "an individual reflects the awareness that the thoughts and beliefs with regard to the target group ownership " (Pierce et al., 2003). According to Pierce et al. (2003) psychological ownership can fulfill three hidden human intentions. First of all that it can continue to exercise the feelings

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of the effectiveness, since "to have" is a definitive type of control, whereby being in control prompts the discernment that one "is the cause" and that one has adjusted or can modify the circumstances (Beggan, 1992). Second, the feeling of ownership helps to individuals to determine themselves, their own identity to others and to maintain the continuity of their self. As such, detention or what is insured may have an identity to forge and care function (Kamptner, 1989; Price et al., 2000). Finally, having a spot, and subsequently the requirement for territoriality and security may likewise be sustained by feelings of ownership (Porteous, 1976).

Contextual performance portrays an assortment of work behaviors that are important for the success of an organization, but usually not part of one of the fundamental tasks of the individual responsibilities (Borman & Motowidlo, 1993). Behavior related to contextual performance contain activities that support the general success of the organization, such as voluntary work to fulfill the tasks, collaborating with colleagues, maintaining efforts and encouraging the others in organization. All these behaviors associated with pro-social organizational behavior (Brief & Motowidlo, 1986), extra-role behavior (Katz & Kahn, 1966), and organizational citizenship behavior (Bateman & Organ, 1983). In addition, the contextual performance has developed, because it portrays an unmistakable measurement of work performance that is obviously affected by individual motivational procedures.

Organizational climate pertains to the employees perception related to their work environment (James & McIntyre, 1996). Griffin, Hart & Wilson-Evered (2000) expressed that organizational climate has 2 elements. One is structure of organization and daily activity of organization as well as perception of employees regarding these activities. Employee's perception related to the politics in organization and working environment practices (Hart et al., 2000) or also linked to field of work like client service climate (Jimmieson & Griffin, 1998; Schneider et al., 1992). Furthermore, it was also shown that the employees can use the distinction between the different aspects of the organizational climate and often reach high to agree on the way your organization of tasks (Burke et al., 1992).

### **Literature Review**

Psychological ownership makes the workers try to fulfill the organizational goals and improvement of performance by the obligation on the part of the organization. Pierce et al. (2001) contended that employees who produced psychological ownership deliberately may want to be hierarchical individuals by keeping up the relationship (Vande Walle et al., 1995; O' Driscoll et al., 2006). This is therefore the employees with psychological ownership may deliver extra-role behaviors which add to hierarchical citizenship practices (Rousseau, 1989). A few studies have recommended that psychological ownership in employees was positively associated with individual's organizational and contextual performance (Wagner & Rosen 1985; Rosen & Quarrey, 1987). The employees are given organizational support can be promoted by producing behaviors for their organizations (Blau, 1986). In accordance with social exchange theory, individuals who acknowledge favors will respond assistants effectively (Gouldner, 1960), and is therefore the relationship to exchange social creates the feeling of mutual authentication via training culture and standards (Cropanzano & Mitchell, 2005). A significant positive correlation was observed between leadership qualities, organizational commitment, and emotional intelligence. Utilizing the Hayes Process Macro Model, it was revealed that emotional intelligence moderates this relationship, enhancing the congruent bond between leadership qualities and organizational commitment (Batool et al., 2024).

Organization creates profiting environments for the employees that produce mutual helping behaviors that enhance employee contextual performance (Eisenberger et al., 2001; Henry & Peelle III, 2007). Contextual performance of employees might be improved by psychological ownership by organizational citizenship behaviors. At the point when workers feel psychological ownership toward their organization, they will feel their occupations are

significant and critical and after that take an interest in activities of organizational (Rochberg-Halton, 1980; Van Dyne et al., 2004).

As per the study findings, the link between empowered leadership and organizational stress is influenced by employee optimism. Moderately robust studies indicate that employee optimism diminishes the indirect connection between empowered leadership and job tiredness. Unlike optimistic and resilient leadership, which alleviate stress and enhance intrinsic motivation, empowered leadership is reported to exacerbate the physical and emotional well-being of employees. To mitigate the adverse effects of empowered leadership, law enforcement organizations should prioritize employees' mental health, foster a supportive culture, and offer training. This study builds upon previous research highlighting the detrimental effects of empowered leadership (Abbas et al., 2023).

Borucki and Burke (1999) established the positive correlation between organizational climates and contextual performance and also found a positive correlation between organizational climate, service performance and store performance. Baer and Frese (2003) proposed a strong positive relationship of organizational climates with contextual performance, company performance and psychological safety. Additionally, the research revealed that workplace stress significantly mediates the adverse effects of occupational stress on job performance, as indicated by its substantial level of statistical significance (Batool et al., 2023).

Literature concluded that organizational climate had a positive association with overall performance of employees and satisfaction (Gelade & Ivery, 2003). A growing body of research found most of organizational climate aspects linked employee satisfaction (Johnson, 1996; Dietz et al., 2004) and positively associated with contextual performance (Hofmann & Mark, 2006; Wallace & Chen, 2006).

### **Rational of the Study**

Current study is a mid-level attempt to explore the relationship of organizational climate with psychological ownership and contextual performance. Most of researches had done with psychological ownership and contextual performance but a small amount of research is available on organizational climate. One new interesting objective of this research was to explore the mediating effect of organizational climate between psychological ownership and contextual performance. Findings of this research will be beneficial in order to assess the important role of organizational climate in psychological ownership and employee's contextual performance.

### **Hypothesis of the study**

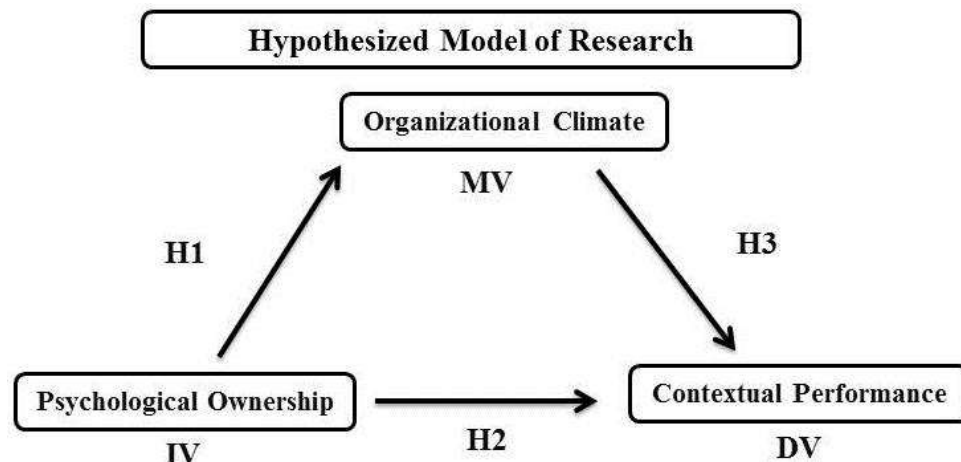
Current study was based on these hypotheses:

**H1:** Psychological ownership will impact on organizational climate

**H2:** Psychological ownership will impact on contextual performance

**H3:** Organizational climate will impact on contextual performance

**H4:** Organizational climate will mediate the relationship between psychological ownership and contextual performance



## Method

### Participants

A sample of 200 employees aged 20-50 years was randomly selected from different organizations of Multan. Only those participants included in this research who willing to take part in the study. All the participants were from same cultural background.

### Instruments

In current study 3 Instruments was used to get the information from the employees.

1. **Organizational Climate Scale.** Organizational climate scale developed by Hart et al. in 1996. It is a self-report instrument with 35 items to evaluate the perception of employees about their work environment. It is a 5-point likert scale ranging from “strongly disagree to strongly agree”. Higher score indicate employ have good perception about their work environment.
2. **Psychological Ownership Scale.** Psychological ownership scale (Avey et al., 2008) was used to assess the level of psychological ownership in employees. Participants were response on a 6-point likert scale. It consisted of 16 items. The total score of the scale was gotten by adding all the responses by the participants. High score on the scale depicts a more elevated amount of psychological ownership.
3. **Contextual Performance Scale.** Contextual performance of the employees was evaluated by contextual performance scale (Goodman, & Svyantek, 1999). The scale was comprised of 16 items and items were scored on a four-point likert scale from 1 strongly agree to 4 strongly disagree.

### Procedure

Participants for the research were randomly selected from 5 organizations of Multan. The age range of subjects was 20-50 years. Data has been amassed by utilizing the three instruments in this survey research. The questionnaire consisted of 3 variables organizational climate scale, psychological ownership scale, contextual performance scale in the form of booklet in addition with consent form and demographic information sheet. Employees were educated as to the reason for survey research and have been guided how to fill this measuring scales. Subjects have been instructed fill all items genuinely. Subjects was assure about the confidently. Descriptive and inferential statistics were completed through SPSS 22 version.

### Results

In current study, Pearson correlation analysis was used to find out the relationship of organizational climate with psychological ownership and contextual performance. Linear regression and Sobel test was compute to explore the mediating effect of organizational climate between psychological ownership and contextual performance.

**Table 1** Pearson Correlation among Organizational Climate, Psychological Ownership and Contextual Performance (N=200)

Scales	M	SD	Organizational Climate	Psychological Ownership	Contextual Performance
Organizational Climate	24.85	3.487	1	.187**	.866**
Psychological Ownership	12.63	3.354		1	.238**
Contextual Performance	45.31	5.696			1

\*p < .005, \*\*p < .001

Table 1 shows that organizational climate had a significant positive correlation with psychological ownership and contextual performance. Results indicate that if employees with good organizational climate the level of psychological ownership and contextual performance will be high in employees.

**Table 2** Regression Analysis showing Psychological Ownership Impact on Organizational Climate

Predictor	B	Std. Error	Beta	T	P
(Constant)	10.171	1.457		6.980	.000***
Psychological Ownership	1.414	.058	.866	24.347	.000***

Note. R<sup>2</sup> = 0.750, Adjusted R<sup>2</sup> = 0.748, (F (1, 198) = 592.765, \*\*\*p < 0.001 Independent Variable is Psychological Ownership, Dependent Variable is Organizational Climate

Table 2 shows significant positive impact of psychological ownership on organizational climate. Values depict that that employee’s level of psychological ownership is positively associated with organizational climate.

**Table 3** Regression Analysis showing Psychological Ownership Impact on Contextual Performance

Predictor	B	Std. Error	Beta	T	P
(Constant)	8.166	1.685		4.847	.000***
Psychological Ownership	.179	.067	.187	2.673	.008*

Note. R<sup>2</sup> = 0.035, Adjusted R<sup>2</sup> = 0.030, (F (1, 198) = 7.143, \*\*\*p < 0.001, \*p < 0.05 Independent Variable is Psychological Ownership, Dependent Variable is Contextual Performance

Table 3 shows positive impact of psychological ownership on contextual performance. It tells that employee’s level of psychological ownership is positively associated with employee’s contextual performance.

**Table 4** Regression Analysis showing Organizational Climate Impact on Contextual Performance

Predictor	B	Std. Error	Beta	T	P
(Constant)	54.502	6.123		8.901	.000***
Organizational Climate	.345	.072	.356	4.796	.000***

Note.  $R^2 = 0.057$ , Adjusted  $R^2 = 0.052$ ,  $(F(1, 198) = 11.889, ***p < 0.001)$  Independent Variable is Organizational Climate, Dependent Variable is Contextual Performance

Table 4 indicated that organizational climate has significant positive impact on contextual performance. It states that organizational climate is associated with employee's contextual performance

**Table 5** Path Analysis showing Organizational Climate mediate the relation Psychological Ownership and Contextual Performance

Path	B	Std. Error	Sobel Test	P
Psychological Ownership → Organizational Climate	1.414	.058	4.702	0.000***
Organizational Climate → Contextual Performance	.345	.072		

\*\*\* $p < 0.001$

In table 5 p value less than 0.05 and depicts that on behalf of significant Sobel statistics organizational climate have significant mediating effect between the relation of psychological ownership and contextual performance.

### Discussion

Organizational climate has turned into an essential issue in light of the fact that employees have strong relation with their organizations. Current study was carried out to explore the mediating effect of organizational climate between psychological ownership and contextual performance. These three variables are linked to the employees and their organization.

At First it was hypothesized that psychological ownership will impact on organizational climate. Research findings revealed that psychological ownership have positive association with organizational climate. First hypothesis of present research accepted because psychological ownership has positive impact on organizational climate. But there is no literature to support these findings. Association between psychological ownership and organizational climate measures very first time in history. These findings are exploratory and helpful to support future researches.

In second hypothesis, it was stated that psychological ownership will impact on contextual performance. Finding of this research depicted that psychological ownership has significant impact on employee's contextual performance. This finding is in accordance with the investigation (Wagner & Rosen 1985) which reported that psychological ownership has positive relation with employee contextual performance. One more research supported present study results (Rosen & Quarrey, 1987) established positive relationship between psychological ownership and contextual performance.

Hypothesis 3 demonstrated that organizational climate will impact on contextual performance. In present study this hypothesis was accepted and findings showed organizational climate has significant impact on contextual performance. Current findings in line with previous literature (Hofmann & Mark, 2006; Wallace & Chen, 2006) organizational climate positively linked with employee's contextual performance. Another research supported the findings of current study that found positive relation between organizational climates and contextual performance (Borucki & Burke, 1999). Previous research also concluded that

organizational climate had a positive association with overall performance of employees and satisfaction (Gelade & Ivery, 2003).

After revealing the significant relationships between psychological ownership and contextual performance and organizational climate and psychological ownership, the data were subjected to the test the fourth hypothesis which stated that organizational climate will mediate the relationship between psychological ownership and contextual performance. Results explored that organizational climate played a significant mediating role in the relationship between psychological ownership and contextual performance. Findings postulated that relationship between psychological ownership and contextual performance will be mediate by organizational climate. It was an exploratory finding that's why no literature exists to support last hypothesis.

### **Conclusion**

Present research study was carried out to explore the mediating effect of organizational climate between psychological ownership and contextual performance. Findings of current research affirmed that organizational climate, psychological ownership and contextual performance have positive relationship with each other. Findings depicted that psychological ownership has significant positive impact on organizational climate. Psychological ownership has positive association with contextual performance. More finding uncovered that organizational climate predicted employee's contextual performance. Statistical findings of Sobel test explored that organizational climate act as a significant mediator between psychological ownership and contextual performance.

### **Implication**

The implication of this study is beneficial to understand the role of organizational climate in psychological ownership and employee's contextual performance. Organizational climate plays a role of mediator between psychological ownership and employee's contextual performance. A healthy and peaceful climate will be helpful in boosting the high level of psychological ownership and beneficial in high employee's contextual performance.

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