

# Impact of Organizational Climate on Mental Health and Well-Being at Work: Evidence from China

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## **Abstract:**

The purpose of this study was to explore whether organizational climate related to mental health & well-being at workplace and what role do voice play in the relationship between organizational climate and mental health & well-being at workplace, evidence from automobile fittings industry. We surveyed a sample of 281 employees from 45 Auto Parts Company in Zhejiang province in China, who agreed to participate in the study, a wide range of position, regarding their perception of organizational climate, voice and mental health & well-being. Regression analyses and correlate analyses were used to test the hypotheses. The research found that organizational climate promoted employees' mental health and well-being. At the same time, employees' voice also moderated the relationship between organizational climate and mental health and well-being. Therefore, Auto parts enterprises, in fact, not only this industry, including all enterprises should create a relaxed, friendly atmosphere, so that employees have the opportunity to express their opinions, employees can get happiness in the workplace.

**Keywords:** *China, Auto Parts Company, Organizational Climate, Voice, Mental Health & well-being at workplace.*

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## I. INTRODUCTION

Automobile Fittings refer to the basic unit of each part of the vehicle, also called automobile fittings, abbreviated as auto fittings. As an important part of automobile, auto parts are the foundation of automobile industry and the necessary factor to support the sustainable and healthy development of automobile industry. With the development of economy and society in China, the automobile consumption, especially the car consumption, is becoming more and more popular. Therefore, it is very necessary to study the auto parts industry in our country. In China, it is common for workers to work overtime and not have enough rest time, resulting in physical and mental damage, high blood pressure, coronary heart disease, cancer and even death from overwork. Such phenomenon also exists in the auto parts industry.

In recent years, the Chinese government has attached great importance to residents' subjective well-being, and has proposed to improve residents' sense of attainment, security and happiness. Happiness at workplace is a major source of happiness. In this context, mental health & well-being at workplace is

getting more and more attention. As a labor-intensive enterprise, the automobile industry emphasizes the importance of effective management to employee's performance, therefore, we need to pay attention to how the organization achieves and maintains employee's mental health & well-being.

Many experts agreed that job well-being is closely related to job performance and productivity. Taris and Schreurs (2009) confirmed high aggregated levels of emotional exhaustion were related to low organizational performance [1].

Although there is widespread support for the supposed Happiness-productivity link, different studies have produced conflicting views. In fact, it's debatable whether happiness leads to high performance.

Well-being at workplace has caught the attention of many researchers in recent years. There has been no consensus in previous research on how to measure happiness at workplace, with some suggesting that work engagement, stress and cynicism are the three best measures of happiness at workplace. The author agrees that work engagement means a positive psychological state, which reflects the passion, energy and dedication of employees in their work, which is undoubtedly a reflection of happiness. It is not enough to use stress and cynicism to reflect happiness. No stress and no cynicism does not equal happiness. The most common concepts of work engagement has three sub-dimensions: vitality, commitment, and focus [2,3]. An employee who is highly engaged in his or her work will appear energetic, enthusiastic, sleep-deprived, and work hours will pass quickly [4]. Happiness itself is more visible in the active engagement of employees. When employees in auto parts enterprises got the professional performance, they will naturally feel job satisfaction.

If mental health & well-being involves a positive work attitude, then we can be sure that it has a positive relationship with job performance. If happiness is seen as a feeling of comfort, based solely on the feelings and feelings of the heart, then perhaps there is little relationship between well-being and productivity, or quality of work. There are organizational factors (such as organizational climate) that can not be ignored if happiness is closely linked to work attitudes and its origins are tracked.

Denison (1996) [4] pointed out that organizational climate is an individual's perception of the organizational environment, often in an attitudinal and value-based manner. Elo et al. (2008) [5] divided into five different types of organizational climate, such as friendly and so on. These different types can also exist within an organization. Organizational climate can have an impact on employee performance, work behavior, and organizational efficiency.

Despite the adequate research of mental health & well-being and organizational climate, they largely cut across each other.

Of course, some researchers did care how organizational climate and job well-being influence each other. For example, Lämsä and Kivimäki's found that employees are more likely to release stress in an innovative organizational environment. Employee negative behavior is also associated with specific types

of organizational climate, and organizational climate has been found to play a significant role in workplace happiness and organizational effectiveness. Past research has also shown that a safe organizational climate is related to employee attitudes and occupational health [6], which affects employees' performance. While theory and evidence support that there is a bearing on the relationship between organizational climate and employees' mental health & well-being.

Based on the logic of the above, we make the following assumptions:

H1: Organizational climate is like to have a significantly positive impact on mental health& well-being at workplace in auto parts enterprises.

Voice are those in which employees express their views, ideas or suggestions on issues that are closely related to their own interests in order to enable management to improve the working environment or procedures in which they operate [7].

Voice is to propose improvements to the current state, with the aim of improving existing procedures rather than merely criticising the current procedures [8], it doesn't matter whose voice, in the context of a healthcare organization, low quality and unsafe patient care are salient and objectionable states in which voice can motivate actions on behalf of the patient to improve information exchanges, governance, and outreach activities for safer outcomes [9].

When employees have the opportunity to express themselves, they are more likely to be part of the organization, they are more focused on the success of the organization, and they want to contribute more. Past research argued that those who has higher levels of perception organizational support will be more likely to voice because of social exchange theory, there is reason to believe, then, that in a relaxed organizational climate that encourages advice, employees are more likely to voice.

Based on the logic of the above, we make the following assumptions:

H2: Employee voice will moderate the relationship between organizational climate and mental health & well-being, that is to say, high level voice will strengthen the positive influence of organizational climate.

In the next part, this paper will use empirical research methods, the measurement of variables and sample selection, to verify the research hypothesis, then discuss the research results, finally, the paper summarizes the suggestions of the research results to the practice of auto parts enterprises.

## II. METHODS

### 2.1 Sample and Procedure

The sample comprised 281 employees from 45 Auto Parts Company in Zhejiang province in China who agreed to participate in the study. The survey is conducted through the company's Human Resources Department, which tells employees that the survey is voluntary and not a work assignment, and aims to gather their views and perspectives on the work environment, various workplace issues, and mental health and well-being, the company will take the opportunity to think about improvements.

The data of the study were collected by questionnaire survey. Participants completed a self-administered questionnaire on line. They answered questions about age, education, job title and gender. They were from in various position, including engineer, safety management, information technology, accounting and so on.

The majority of the study participants were male (71.3%, N=200). The average age is 31.4(SD =5.2) years. The number of years the sampled has worked in their current enterprises job was as follows: 1 years or less (4.8%), 2-3years (25.9%), 3-5years (48.1%), and over 5 years (18.5%). Only 2.4 property owner-managers did not answer these questions.

### 2.2 Measures

The main indicators of this study were organizational climate. Unless otherwise indicated, participants' responses to all questionnaire items ranged from 1 strongly disagree to 5 strongly agree.

We used five questions from Healthy Organization Questionnaire to measure the organization climate, the total scale of climate is regarded as a part of the psychological work environment. Each item was used as an independent indicator of the organization's climate. the different types of social climate were: loose and friendly (A); encouraging to generate new ideas (B); Conformist and prejudiced (C); tense and prone to conflict (D); and each's best interests his/her own best interest lead to a tense, competitive (E).

About personal well-being at workplace, S. Douglas Pugh and Markus Groth (2011) [10] identified job satisfaction and emotional exhaustion as two key outcome variables, as these are the most frequently tested results in the previous literature. Thus, a five-item scale, Greenhaus (et al, 1990) [11] was used to assess well-being at workplace, an internally generated and defined job outcome. One example is I am very happy because I have been successful on my job. The Coefficient of 0.84 in this study corresponds to the range of 0.85 to 0.89. In the meantime, we added physical and mental health to our measurements, such as "Do you often lose sleep?"

Voice was measured using four items from Parker and Collins (2010), with participants providing responses along a five-point scale (1 = Very infrequently to 5 = Very frequently) in a reliable manner ( $\alpha=0.85$ ).

After completing the questionnaire, participants were given an open-ended reminder, they are invited to comment on benefits, customer feedback, recruitment, training and development, leadership attitudes and the general atmosphere at workplace and to provide any ideas. They were encouraged to express their suggestions and wishes on workplace issues, and were told that their comments would be taken up for improved guidance. Content analysis identified the comments related to the structure of focus in this study.

### 2.3 Analysis Procedure

Prior to testing hypotheses, we tested the measurement model using confirmatory factor analysis (CFA) in AMOS version 25, in order to explore whether the three measured constructs, namely, organizational climate, voice, mental health & well-being, were distinctive.

**TABLE I. Confirmatory factor analysis (N=281)**

MODELS	X2 (DF)	X2 /DF	$\Delta X2$ ( $\Delta DF$ )	SRMR	RMSEA	CFI
MODEL-1	2826.02 (172)	17.18	2248.22 (3)***	0.17	0.19	0.51
MODEL-2	1384.52 (169)	8.20	799.72 (2)***	0.12	0.13	0.70
MODEL-3	563.78 (163)	3.51	344.23(2)***	0.05	0.08	0.93

Notes: \*\* Correlation is significant at the 0.01 level (2-tailed).

As can be seen in TABLE I, the model1-3 tables representing a one-factor model, a two-factor model and a three-factor model. Results are presented in TABLE I, The three-factor model is the best fit ( $\chi^2=563.78$ ,  $df=163$ ,  $p<0.001$ ,  $RMSEA=0.08$ ,  $SRMR=0.05$ ,  $CFI=0.93$ ).

**TABLE II. Means, standard deviations, and correlations of study variables (N=281)**

VARIABLE	M	SD	1	2	3
ORGANIZATIONAL CLIMATE	3.56	0.72	1	0.422**	0.355**
VOICE	3.45	0.69		1	0.368**
MENTAL HEALTH & WELL-BEING AT WORKPLACE	3.25	0.56			1

Note(s): No= 230; 3-factor model (1=EEE, 2=creative self-efficacy, 3=innovative behavior); 2-factor model (1= EEE and creative self-efficacy, 2 =innovative behavior); 1-factor model (1=all factors combined); \* $p < 0.05$ ; \*\* $p < 0.01$ \*\*\* $p < 0.001$

TABLE II showed the mean, standard deviation, and correlation for each of the study variables. It can be seen that there is indeed a correlation between these key variables, which is consistent with hypothesis 1 of this study. Because in a good organizational climate, employees have the freedom to express their

opinions, they feel respected and valued, and therefore feel good inside, resulting in a sense of mental health and well-being.

Below, we employed hierarchical regression analysis and process analyses to test a proposed hypothesis. Hypothesis 1 proposed that organizational climate would be positively related to mental health & well-being. Hierarchical regression was performed with mental health & well-being as the dependent variable. In Step 1, control variables were entered (Model 1). In Step 2, independent variable was entered (Model 2). In Step 3, voice was entered (Model 3). In Step 4, the interaction term of organizational climate $\times$ voice was entered (Model 4). We can conclude that hypothesis 1 is verified (can see the TABLE II). At the same time, Results of the regression analysis showed that the interaction, organizational climate $\times$ voice, was significant (Model4, Step4:  $\beta=0.22$ ,  $p<0.01$ ). Hypothesis 2 is also verified. Obviously, when there is a good organizational climate, employees' mental health and well-being is high level, and that relationships are strengthened when employees have the opportunity to voice.

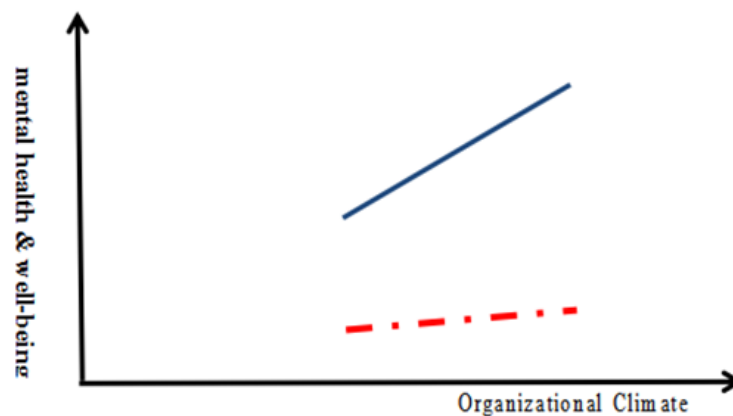


Fig. 1: The moderating effect on the relationship between OL and mental health & well-being at work

From Fig. 1, we can get the conclusion that employees' voice strengthened the positive relationship between organizational climate and mental health & well-being at workplace. This means that, when employees' voice is high, the already positive relationship between organizational climate and mental health & well-being at workplace becomes higher as compared to when employees' voice is low.

At the unit level, different organizational climate types were connected to different level of mental health & well-being. Both positive work climate types A (relaxed and friendly) and B (encouraging and supportive of new ideas) were connected to high mental health & well-being. Climate types C (prejudiced and clinging to old ways) and D (strained and quarrelsome) were connected to lower mental health & well-being. The results of the unit-level analysis indicate that a particularly low level of organizational climate in a unit has a detrimental effect on the employee mental health & well-being at workplace.

It's easy to understand that in an organizational climate that is friendly, relaxed, and encourages new ideas, employees have more opportunities to voice, are more likely to let go of negative emotions, and are

more likely to experience greater mental health & well being, on the other hand, if the organizational climate is tense and everyone is more selfish and self interested, the negative emotions of employees in such an organization are more likely to accumulate, and naturally, mental health & well being are lower.

### III. DISCUSSION

The actions and reactions of employees in an organization are important because they can determine the success or failure of an organization. Therefore, it is very important to study the behavior and reaction of employees in an organization.

The 45 auto parts enterprises investigated in this study are representative in China, they are in a competitive industry, they have the characteristics of both manufacturing and service. So it is of great significance and necessity to study parts enterprises.

For auto parts enterprises, mental health & well-being at workplace is equal to performance. Given the complexity and rapid changes in the current business environment, mental health & well-being is critical. Therefore, it is very important to find out the factors that improve mental health & well-being at workplace.

The findings support the hypothesis that, more specifically, organizational climate can predict mental health & well-being at workplace, and therefore, for auto parts enterprises, how to cultivate organizational climate of talents is also an important thing, which started from organizational policy.

In recent decades, researchers and practitioners have increasingly come to believe that mental health & well-being at workplace at workplace has a significant impact on performance, and this is certainly true in the auto parts enterprises, where organizational climate is an important predictor of individual behavior, auto parts enterprises should be aware of this. Therefore, it is of practical significance to pay attention to mental health & well-being at workplace in the auto parts enterprises. Fisher (2003) [12] argued that high performance produces happiness, because workers are more satisfied when they are performing well and less satisfied when they are performing poorly. In fact, it could be that high levels of happiness lead to high performance because they are happy at workplace, so they are more willing to put in the effort, spend more time and energy, and do their work better.

The study also found a significant positive correlation between employees' voice and workplace mental health and well-being. Which is because when employees in an organization are free to express their opinions and ideas, it means that they have a voice, that they are respected, and no doubt that employees get a signal that you are strong, that you are positive, and that you are competent, employees thus feel trusted and respected, and they feel valued. They tend to show other positive voluntary behaviors, all of which are good for the organization. In addition, results imply that employees can use voice to engage in behaviors that serve their good to the detriment of the entire organization and its members.

Employees' voice was also found to be a moderator of the organizational climate and mental health & well-being at workplace relationship. Thus, employees' job engagement was further enhanced when they were involved in decisions that had the potential to influence their health and safety. In auto parts companies, employees don't have adequate health benefits and insurance plans, or even significant job security, employers must take necessary steps to keep employees' psychological contracts from being violated, giving employees the opportunity to give advice on their work is good way, which makes sure workers feel respected and emotionally cared for in the workplace.

At present, China's auto parts industry is still weak industrial base, unreasonable structure, insufficient R&D efforts, lack of famous brand products and so on. At the same time, with the increasing demand of individuation and diversification of automobile products, enterprises urgently need to speed up the technology update and product improvement. However, the shortage of professional technology and management personnel can not meet the needs of production and products entering the market, which has become the bottleneck of enterprise development, affecting the development of enterprises. In general, China's auto parts industry lack of professional knowledge, many have not gone through professional, systematic introductory training. The manager's management level is low, the management consciousness is out of touch with the modern enterprise management consciousness. Many owners of auto parts dealers and dealerships are still confused about the human resources management of their enterprises, such as high brain drain rate, low job happiness, enterprises are difficult to retain talent, core staff management, existing incentives can not pull the whole marketing team and other phenomena. Employees are one of the key elements in the operation of a successful auto parts industry.

The results of this study also tell us that it is necessary for auto parts enterprises to pay attention to their employees' physical and mental health, such as giving adequate rest and reducing overtime work are beneficial to their physical and mental health.

The evidence supports that if organizational leaders wish to prevent disadvantageous outcomes such as organizational cynicism, stress, emotional exhaustion and their consequents, then advancing both organizational support and a positive voice climate is recommended.

#### **IV. CONCLUSION**

The auto parts enterprises investigated in this study are representative and typical. Some of them are concerned about the mental health & well-being of their employees, give them love, give them good accommodation, and give them the chance to speak freely, but there are also companies that focus too much on employee performance, ignoring concerns about how to improve employee happiness, and often engage in labor competitions, but it is often the former type of business performance is better. The research findings of this paper provide the answer.

Meanwhile, this study provided meaningful suggestions for auto parts enterprises to enhance their core competence. For employees, mental health & well-being at workplace is based on the idea that it can be



equated with innovation or performance. This study shows that organizational climate can predict mental health & well-being at workplace, employees in organizational with friendly and have stronger mental health & well-being than those without good climate. Therefore, auto parts enterprises, in fact, not only this industry, including all enterprises should create a relaxed, friendly atmosphere, so that employees have the opportunity to express their views, employees can get happiness in the workplace.

This study is the first to explore the moderating effect of voice on organizational climate and mental health & well-being at workplace in auto parts companies, which makes a valuable contribution to the study of mental health & well-being at workplace. This empirical study also contributes to a better understanding of the existing theories and practices of voice, and provides new ideas for the performance of auto parts companies.

Therefore, auto parts enterprises, in fact, not only this industry, including all enterprises should create a relaxed, friendly atmosphere, so that employees have the opportunity to express their opinions, employees can get happiness in the workplace.

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