

SECTION 3. SOCIO-ECONOMIC ASPECTS

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DETERMINANTS OF ORGANIZATIONAL CLIMATE AND THEIR IMPACT ON PERSONNEL PRODUCTIVITY

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The transformation of today's business ecosystem, driven simultaneously by technological progress and the reassessment of the role of human resources, assigns particular importance to the comprehensive study of organizational climate as one of the fundamental prerequisites for institutional success. The multifaceted nature of the work environment and its diverse characteristics are considered in contemporary organizational research as a multidimensional phenomenon that exerts a substantial influence on institutional effectiveness. In light of this context, the primary objective of our study was to analyze the relationship between the subjective perception of the work environment and employees' labor productivity. Within the framework of the study, the principal determinants of organizational climate have been identified as transformational leadership, organizational justice, psychological safety, and the degree of employee autonomy, which, in our view, exert a substantial influence on personnel productivity. In the subsequent empirical phase of the research, these determinants are intended to be assessed through a quantitative approach, based on a structured questionnaire and relevant measurement indicators.

Global crisis-related challenges and the post-pandemic reality have clearly demonstrated that traditional, strictly hierarchical management models are no longer sufficiently effective in responding to contemporary organizational dynamics. In the post-pandemic period, classical management mechanisms have undergone significant transformation, as a result of which particular

attention has been paid to such factors as psychological safety, employees' emotional resilience, and a supportive work climate. The study demonstrates that psychological stability and a work environment grounded in empathic principles are now not merely desirable, but rather necessary prerequisites for maintaining productivity and ensuring organizational sustainability.

One of the important objectives of the research was also to identify those managerial instruments that facilitate the transition of performance management systems from a model based on formal control to a strategic framework oriented toward development.

The study of organizational climate originates in Kurt Lewin's (Lewin, 1951) field theory in psychology, according to which an individual's behavior is determined by the interaction between personal characteristics and environmental factors. This classical perspective was further developed by Schneider and Reichers (Schneider & Reichers, 1983), who defined organizational climate as the collective perception of organizational policies, practices, and procedures. Contemporary studies further reinforce the significance of this concept: Berberoglu (2018) emphasizes that organizational climate is directly associated with employees' job satisfaction and their emotional commitment to the organization. At the same time, He et al. (2021) argue that innovative climate constitutes an important mediating mechanism between leadership and employees' creative productivity. In the context of performance management, particular attention is paid to Locke and Latham's (Locke & Latham, 2002) goal-setting theory, while Al-Kurdi et al. (2020) analyze the influence of a knowledge-sharing-oriented climate on organizational effectiveness.

Theoretical analysis of the mechanisms for managing organizational climate demonstrates that one of the most important foundations for stimulating productivity is transformational leadership (Bass & Riggio, 2006), as well as the integration of "green" management principles into organizational practice. According to the study published by Ahmad et al. (2023), ethical climate and organizational justice (Adams, 1963) significantly reduce deviant behavior and increase labor productivity. The paper also examines in detail Newman et al.'s (2020) concept of psychological safety; the authors substantiate that mechanisms which encourage learning from mistakes rather than punishing them (Edmondson, 1999) create the necessary preconditions for the formation of high-performing teams. In addition, based on Edward Deci and Richard Ryan's self-determination theory (SDT) (Deci & Ryan, 2000), the role of mechanisms supporting autonomy and competence in shaping employees' intrinsic motivation is analyzed.

Particularly important is the development of an integrated model in which organizational climate is presented as a mediating variable between managerial practices and labor outcomes. The study is grounded in the Job

Demands-Resources model (Bakker & Demerouti, 2017), according to which a positive organizational climate functions as a motivating resource that enhances employees' self-efficacy and reduces the risk of professional burnout. At the theoretical level, it is confirmed that performance management is especially effective when it is oriented toward the development of psychological capital (PsyCap). In the same context, the findings of O'Neill et al. (2021) on the climate of remote work indicate that, in the digital era, a trust-based climate is more effective than strict monitoring practices. Drawing on Rai & Maheshwari (2021), the paper further substantiates the role of work engagement as a key linking mechanism between organizational climate management practices and overall performance.

Although the theoretical and empirical studies reviewed provide an important foundation for understanding the nature of organizational climate and its outcomes, in our assessment the existing literature still insufficiently develops the role of organizational climate as a direct mediator of labor productivity, particularly in post-pandemic, remote, and hybrid work contexts. A considerable share of authors tend to examine climate primarily through the lenses of job satisfaction, engagement, and organizational commitment, whereas the present paper conceptualizes it as a central mechanism shaping productivity. From our perspective, transformational leadership, psychological safety, and organizational justice constitute the key determinants that foster a supportive climate and ensure employee effectiveness. Accordingly, it is advisable to shift performance management systems from control-oriented models toward frameworks grounded in support and the development of psychological capital, thereby promoting not only short-term outcomes but also long-term organizational sustainability.

In conclusion, it may be argued that for the modern organization, managing organizational climate constitutes not a cost but a strategic investment directly associated with increased institutional effectiveness and long-term competitiveness. An analysis of recent international scholarly literature confirms that organizations which deliberately invest in the development of a supportive, fair, and innovative climate achieve significant improvements in employee productivity, engagement, and organizational commitment.

The theoretical approaches examined in this paper demonstrate that such mechanisms as open and transparent communication, justice-based recognition systems, leadership support, the provision of psychological safety, and the encouragement of employee autonomy create a synergistic relationship between individual aspirations and organizational goals. It is precisely this kind of integrated environment that ensures the effective functioning of performance management systems and facilitates their

transformation from mechanisms of formal control into development-oriented strategic frameworks.

Based on the theoretical analysis conducted within the scope of this paper, it is confirmed that the success of performance management systems in contemporary organizations largely depends on management's ability to create a human-centered, trust-based, and psychologically safe work environment. Accordingly, organizational climate should be regarded as one of the key determining factors in ensuring labor productivity, employee well-being, and organizational sustainability.

At the same time, the theoretical novelty of the paper lies in its examination of global models of organizational climate within the context of the Georgian business environment and in raising the question of their necessary cultural adaptation. The theoretical analysis demonstrates that the direct transfer of Western approaches into the Georgian reality cannot always ensure the same effect, particularly under post-pandemic conditions, when remote and hybrid work models have generated new challenges for the formation and management of organizational climate. This is especially significant in an environment where hierarchical organizational culture continues to exert a strong influence. Accordingly, the purpose of the subsequent empirical study will be to determine how the principles of leadership, psychological safety, and organizational justice can be adapted to the Georgian business environment in order to achieve increased productivity and greater effectiveness of performance management systems.

JEL Classification: M12, M14, J24.

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