

Perceived Organisational Climate and Employee Performance in the Hospitality Industry in Ghana: A Case of Mensvic Grand Hotel, Accra

¹**Esther Enyonam Klime**

Department of HRM & Leadership

Knutsford Business School, Knutsford University, Accra

ORCID: <https://orcid.org/0009-0006-6769-1418>

Email: estherliap@ymail.com

²**David Ackah**

Knutsford Business School, Knutsford University, Accra

ORCID: <https://orcid.org/0000-0002-5709-4787>

Email: drackah@ipmp.edu.gh / drdavidackah@gmail.com

*Correspondence: Esther Enyonam Klime, email: estherliap@ymail.com

Abstract

In today's competitive business environment, organisations must attract and retain talent to achieve sustainable performance. Employee performance is critical to organisational success, and while rewards and support systems are essential, organisational climate, the shared perception of the work environment, plays a key role in shaping employee behaviour and effectiveness. A favourable climate enhances engagement and productivity, while a negative climate leads to disengagement. Organisational climate, defined as employees' shared perceptions of their work environment, is a critical determinant of workplace behaviour and performance (Taştan & Güçel, 2014). Research has long established the link between organisational climate and performance, but most studies have focused on developed economies. There is a research gap in Ghana's hospitality sector, where challenges such as employee retention and service quality are prevalent. This study addresses that gap by examining the impact of organisational climate on employee performance at Mensvic Grand Hotel in Accra, providing insights for both academic and practical applications in the industry.

This study assessed the impact of perceived organisational climate on employee performance at the Mensies Grand Hotel in Accra, Ghana. A descriptive cross-sectional survey was employed. A convenience sample of 40 employees completed a structured questionnaire measuring organisational climate dimensions (structure, motivation, communication, identity, reward, recognition, affiliation, support) and employee performance. Data were analysed using descriptive statistics, correlation, and regression analysis. The predominant organisational climate was identified as "Open" (Mean=2.12, SD=0.85). Among eight climate dimensions, only Structure (Mean=1.33) and Affiliation (Mean=1.58) were positively perceived.

A strong positive correlation was found between overall organisational climate and employee performance ($r = 0.81, p = 0.016$). Regression analysis indicated that Reward ($\beta=1.24, p<0.001$), Support ($\beta=0.51, p<0.001$), and Recognition ($\beta=0.55, p<0.001$) had significant positive effects on performance, while Structure and Identity had adverse effects. Perceived organisational climate significantly influences employee performance in the hotel. An open, supportive climate characterised by fair rewards, recognition, and strong interpersonal affiliation enhances performance. Management should prioritise improving motivational, communication, and reward systems to foster a more comprehensive, favourable climate.

Keywords: Organisational Climate, Employee Performance, Hospitality Industry, Open Climate, Ghana

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1.0 INTRODUCTION

1.1 Research Problem

Organisations in the 21st century operate in dynamic and highly competitive environments. To remain significant, they must not only attract and retain suitable personnel but also actively support them to improve performance (Anitha, 2014). In the hospitality industry, where service quality is paramount, employee performance is directly linked to customer satisfaction and business success. However, many organisations, including those in Ghana, struggle with unclear organisational structures, overlapping responsibilities, and environments that do not optimally motivate staff (Brown & Leigh, 1996; Nair, 2006). This gap between the potential and actual impact of workplace environment on output constitutes a significant managerial challenge, underscoring the need for models that clarify how specific climate dimensions drive performance in specific contexts.

1.2 Background

In today's competitive landscape, organisations must attract, retain, and develop talent to sustain performance. Employee performance, defined as work outcomes and accomplishments, is vital for success. While rewards and supportive practices help improve performance, intangible factors such as organisational climate significantly influence employee behaviour, motivation, and effectiveness. Organisational climate refers to the shared perceptions of employees regarding the policies, practices, and procedures that characterise their work environment (Ali, Lei, & Wei, 2018). It is the "personality" of an organisation, influencing attitudes, behaviours, and ultimately, performance outcomes.

A positive climate fosters cooperation, support, and commitment, leading to higher job involvement and productivity (Watkin & Hubbard, 2003; Haryono, Ambarwati, & Saad, 2019). Conversely, a closed or hostile climate can stifle innovation, reduce morale, and increase turnover. While extensive research in developed economies has established the climate-performance link, contextual studies within Ghana's unique socio-cultural and business environment, particularly in the service-driven hospitality sector, are scarce. This study addresses this contextual gap.

1.3 Objectives

The primary aim of this study was to assess the impact of perceived organisational climate on employee performance at the Menzies Grand Hotel, Accra.

Specific objectives were to:

- Identify the dominant type of organisational climate (open vs. closed) perceived by employees.
- Evaluate the perceived status of specific organisational climate dimensions (e.g., structure, reward, support).
- Determine the relationship and impact of these climate dimensions on employee performance.

1.4 Conceptual Framework

This framework illustrates the relationship between Perceived Organisational Climate (independent variable) and Employee Performance (dependent variable). Organisational climate is operationalised into eight dimensions: Structure, Motivation, Communication, Identity, Reward, Recognition, Affiliation, and Support. These dimensions collectively shape employees' perceptions of the work environment, which, in turn, influence various performance indicators, such as task completion, service quality, commitment, creativity, target achievement, and customer satisfaction. The relationship is moderated by factors such as leadership style, employee tenure, and job role, which may strengthen or weaken the climate–performance link.

Figure 1 – Conceptual Framework



1.5 Significance of the Study

This study provides actionable insights for the management of Mensvic Grand Hotel and similar hospitality businesses in Ghana. Pinpointing which climate dimensions most strongly affect performance offers evidence-based guidance for HR policies and leadership practices aimed at enhancing the work environment. Academically, it contributes to the literature on organisational behaviour in the West African context by testing established theories in a new setting.

1.6 Research Gap

Despite the established theoretical link between organisational climate and employee performance, there remains a significant empirical and contextual gap in understanding how these dynamics manifest within the hospitality industry of developing economies, particularly in Ghana. Previous studies have predominantly focused on Western contexts and non-service sectors, leaving a void in localised, industry-specific evidence. This study seeks to fill that gap by assessing the perceived organisational climate and its impact on employee performance at Mensvic Grand Hotel, Accra, thereby providing context-relevant insights for both academia and practice.

2.0 LITERATURE REVIEW

2.1 Conceptualising Organisational Climate

The concept of organisational climate emerged from the work of Kurt Lewin, who posited that behaviour is a function of the person and their environment (Litwin & Stringer, 1968). Schneider and Reichers (1983) later defined it as a shared summary perception of the work setting. It is distinct from, though influenced by, organisational culture; climate represents the surface-level, measurable practices and procedures, while culture embodies deeper values and assumptions (Denison, 1996). For this study, climate is operationalised as employees' collective perception of eight dimensions: Structure, Motivation, Communication, Identity, Reward, Recognition, Affiliation, and Support.

2.2 Dimensions of Organisational Climate

Research has identified multiple dimensions that constitute organisational climate:

- Structure: Perception of rules, policies, and clarity of roles (Jones & James, 1979).

- Motivation: The degree to which the environment stimulates effort and satisfaction.
- Communication: The openness and effectiveness of information flow (upward, downward, lateral).
- Identity: Feeling of belonging and value within the organisation (Van Dick et al., 2008).
- Reward: Perceived fairness and adequacy of the remuneration system.
- Recognition: Acknowledgement of efforts and achievements by management (Danish & Usman, 2010).
- Affiliation: Quality of interpersonal relationships and teamwork.
- Support: Perceived encouragement and assistance from supervisors and the organisation.

2.3 Organisational Climate and Employee Performance

Employee performance is the measurable outcome of an individual's work and contributes to organisational goals (Hunter, 1986). Substantial evidence links a favourable organisational climate to enhanced performance. Griffith (2006) found that warm, supportive climates increase job satisfaction and performance. Koene et al. (2002) found that clear communication and task clarity were associated with higher unit performance. Specifically, dimensions like recognition and fair reward have been directly correlated with increased motivation and productivity (Harrison, 2018; Sambandam & Chockalingam, 2019). This study builds on this foundation by examining which of these dimensions are most salient in a Ghanaian hotel context.

3.0 METHODOLOGY

3.1 Study Design

The study employed a descriptive cross-sectional survey design, which was deemed most appropriate for several reasons. First, the research aimed to describe the current organisational climate and its relationship with employee performance at a specific point in time, objectives aligned with descriptive research. Second, this design enabled efficient data collection from a sample of employees within the practical constraints of time and resources. Third, while recognising that this design cannot establish causal relationships, it effectively identifies associations and patterns relevant to the research questions.

The design enabled the use of standardised questionnaires to collect quantitative data suitable for statistical analysis, providing a snapshot of perceptions and relationships within the Mensvic Grand Hotel. This design was appropriate for collecting data at a single point in time to describe variables and examine their relationships (Sekaran & Bougie, 2013).

3.2 Setting and Population

The study was conducted at the Menzies Grand Hotel, East Legon, Accra. The target population was all 125 employees, including managerial, supervisory, and junior staff.

3.3 Sample and Sampling Technique

A convenience sample of 40 employees was used. This non-probability technique was chosen due to accessibility constraints, acknowledging its limitation regarding generalizability (Mugenda & Mugenda, 2003).

3.4 Data Collection Instrument

A structured questionnaire in two sections was used. Section A collected demographic data. Section B used a 5-point Likert scale (1=Strongly Disagree to Agree 5=Strongly) to measure items related to:

- Open vs. Closed Climate: Adapted from Halpin (1966) and Hoy and Sabo (1998).
- Eight Climate Dimensions: Based on the operational definitions of structure, motivation, communication, identity, reward, recognition, affiliation, and support.
- Employee Performance: 15 items measuring task completion, quality, commitment, accountability, and creativity (Ramlall, 2008).

3.5 Governance and Oversight



This research project was conducted under strict ethical, procedural, and supervisory controls to ensure its integrity, validity, and compliance with academic standards. Ethical approval was formally obtained from the Ethics Committee prior to the study's commencement. The rights and protection of all participants were upheld through the implementation of informed consent and strict measures to ensure confidentiality, anonymity, and the right to withdraw. To ensure data integrity, the study used validated research instruments, maintained secure data storage protocols, and applied rigorous statistical analysis in SPSS. Continuous academic guidance and oversight were provided by an appointed supervisor throughout the project's duration. The research adhered to all relevant institutional policies, Ghana's Data Protection Act (2012), and established international ethical guidelines.

3.6 Ethical Considerations

Permission was obtained from the hotel management. Participants provided informed consent, confidentiality was assured, and participation was voluntary. All academic sources were cited correctly.

4.0 DATA ANALYSIS

4.1 Demographic Characteristics

Of the 40 respondents, 62.5% were male and 37.5% female. The largest age group was 20-25 years (30%). Half (50%) had served the organisation for 1-2 years, and 50% held a WASSCE/SSSCE as their highest qualification.

4.2 Dominant Organisational Climate

As shown in Table 1, the mean score for Open Climate items was 2.12 (SD=0.85), while the mean for Closed Climate items was 3.89 (SD=1.04). Lower scores indicate stronger agreement. This confirms that an Open Climate characterised by interaction, freedom, teamwork, and warm relationships is predominant at the hotel.

Table 1: Perception of Organisational Climate Types

Climate Dimension	Sample Item	Mean	Std. Deviation
Open Climate	I easily interact with colleagues and managers	2.12	0.85
Closed Climate	Decisions are imposed on employees.	3.89	1.04

Source: Researcher's field work, May 2020

4.3 Status of Specific Climate Dimensions Analysis of eight climate dimensions revealed a mixed perception (Table 2). Only Structure (Mean=1.33) and Affiliation (Mean=1.58) were positively perceived. Motivation, Communication, Identity, Reward, Recognition, and Support all had mean scores above 2.0, indicating perceived deficiencies in these areas.

Table 2: Mean Scores for Organisational Climate Dimensions

Dimension	Mean	Std. Deviation	Interpretation
Structure	1.33	1.04	Positive
Motivation	2.25	1.12	Negative
Communication	2.13	1.02	Negative
Identity	2.63	1.24	Negative
Reward	2.63	1.05	Negative
Recognition	2.63	1.23	Negative
Affiliation	1.58	1.10	Positive
Support	2.50	1.03	Negative

Source: Researcher's field work, May 2020

4.4 Employee Performance

The overall mean for employee performance was 2.48 (SD=1.28), indicating a moderate to good level of performance as perceived by employees.

4.5 Impact of Climate on Performance

A strong positive correlation was found between overall organisational climate and employee performance ($r = 0.81$, $p = 0.016$). This leads to the rejection of the null hypothesis (H_0).

Regression analysis (Table 3) showed that several dimensions significantly predicted performance. Reward ($\beta=1.24$), Support ($\beta=0.51$), and Recognition ($\beta=0.55$) had significant positive effects ($p<0.001$). Structure ($\beta = -0.08$) and Identity ($\beta = -0.17$) had adverse effects, suggesting that, in this context, perceived rigidity or a weak sense of belonging may hinder performance.

Table 3: Regression of Climate Dimensions on Employee Performance

Predictor (Climate Dimension)	Beta (B)	Significance (p)
(Constant)	3.763	0.000
Structure	-0.08	0.097
Motivation	0.18	0.213
Communication	0.09	0.046
Identity	-0.17	0.004
Reward	1.24	0.000
Recognition	0.55	0.000
Affiliation	0.06	0.376
Support	0.51	0.000

Source: Researcher's field work, May 2020

$R^2 = 0.915$

4.7 Result Discussion

The findings confirm that an Open Climate prevails at Mensvic Grand Hotel, aligning with theoretical advantages of such environments, which foster cooperation and commitment (Hoy & Sabo, 1998). However, the dissection into specific dimensions reveals critical gaps. While employees appreciate clear structure and good collegial relationships (Affiliation), they perceive significant shortfalls in Motivation, Reward, and Recognition.

The strong positive correlation between climate and performance is consistent with global studies (Griffith, 2006; Sambandam & Chockalingam, 2019). The regression results are particularly instructive: Reward, Support, and Recognition emerged as the most potent positive drivers of performance. This underscores Herzberg's Two-Factor Theory, where these elements act as potent motivators. The negative beta for Identity suggests that employees may not feel a strong sense of belonging or may not see how their role contributes to the hotel's mission, which can diminish discretionary effort.

The study implies that management should look beyond the generally "open" atmosphere and address specific deficiencies in the reward system, supervisory support, and formal recognition programs to unlock higher performance levels.

5.0 CONCLUSION

Based on this study's findings, an Open Climate exists at the Menzies Grand Hotel. Employees perceive the dimensions of Structure and Affiliation positively within the organisational environment. However, they perceive the dimensions of Motivation, Reward, Recognition, Communication, Identity, and Support negatively. Furthermore, the results indicate a significant positive relationship between organisational climate and employee performance, with the dimensions of Reward, Support, and Recognition having the most significant impact on performance outcomes.

5.1 Recommendations

- Revise the Reward System: Implement a transparent, performance-based reward structure that is perceived as fair and competitive.

- Enhance Recognition Programs: Introduce formal and frequent recognition mechanisms (e.g., Employee of the Month, peer recognition) to acknowledge contributions.
- Strengthen Supervisory Support: Train managers and supervisors in supportive leadership, active listening, and empowering their teams.
- Improve Communication: Foster more open, two-way communication channels where employee feedback is actively sought and acted upon.
- Build Organisational Identity: Clearly communicate the hotel's mission and values, and show employees how their work directly contributes to collective goals.

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Conflict of Interest Statement

The author declares no conflicts of interest.

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