

INVESTIGATING THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEES' PRODUCTIVITY

Zahra Rajaei^{1*}, Ali Arghavani²

¹Department of Management, Payame Noor University, IRAN

²Department of Management, Payame Noor University, IRAN

ABSTRACT

Aims: Organizational culture is an important factor affecting productivity. Therefore, in this study, the relationship between organizational culture and employee's productivity in the Red Crescent of Birjand has been investigated. **Materials and methods:** The results were analyzed using SPSS software and Smart PLS. The statistical population was Birjand Red Crescent staff and was selected by random sampling. The size and statistical sample included 70 people in January 2013 and questionnaires were distributed among them. In order to collect data two questionnaires - organized culture (Standard Denison Questionnaire) and productivity (standard questionnaire ACHIVE) - were used. **Results:** The results show that there is a significant positive relationship between organized culture and employee's productivity. **Conclusion:** According to the results ultimately in promoting and enhancing the productivity of the organizational culture is very effective. The coefficient of determination is 0.767 percent, which is the appropriate coefficient of determination. As well as all indices of measurement model were approved and the corresponding hypothesis was confirmed.

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KEY WORDS

organizational culture, productivity, Denison Model, Hersey and Goldsmith model.

*Corresponding author: Email: rajaei.z@skpnu.ac.ir Tel.: +98 43526433; Fax: +98 43526433

INTRODUCTION

The power of culture is determined by its impact on organizational behavior. When the values, norms, and beliefs of an organization are vividly expressed and maintained, and supported by a large number of people, they will be quickly spreading.

Such culture is strong, and the result of a strong culture increasing productivity and reduces the mobility of employees [1]. Organizational culture is one of the essential factors for achieving optimum efficiency. Effective working culture, including the factors that facilitate achieving optimum efficiency in the organization. To enable work culture to deliver optimum efficiency, we should consider it as a part of systematic thinking in labor productivity. The main goal of this research is to answer the question: Does organizational productivity affect employee's productivity in the management of Red Crescent of Birjand? For this purpose, organizational culture on organizational culture questionnaire (Standard Denison Questionnaire) with 4 dimensions and productivity based on standard questionnaire ACHIVE with seven dimensions has been defined to examine the relationship between organizational culture and its dimensions with productivity. The main hypothesis is to show the significance of organizational culture. In line with this hypothesis, sub-hypotheses are followed.

There is a significant relationship between involvements in work with productivity-

There is a significant relationship between consistency and efficiency-

There is a significant relationship between adaptability and efficiency-

There is a significant relationship between mission and efficiency-

RESEARCH LITERATURE

Organizational culture must be considered as a strategic component of the internal environment, inevitable and necessary and appropriate measures [2]. Denison, Leif and Ward (2004) argue that this model of theory describes an organizational culture that is relevant to the organizational performance [3]. Professor Daniel Denison (2000) carried out a research on organizational culture and organizational effectiveness. In his model, the cultural characteristics are as follows:

1- Involvement

- 2- Consistency
- 3- Adaptability
- 4-Mission



Fig: 1. Denison Model
Source: www.denisonculture.com

Each of these properties is measured by three indicators

1-Engaging in a lot of work (Involvement) involved means there is an element of subjective involvement with the work of this feature is measured by three indicators: empowerment, team-building, development capabilities.

2-Adjustment (Consistency :stability and seamless integration): Studies have shown that organizations that are most effective are integrated and have stability and behavior of employees is derived from the fundamental values and organizational activities are well coordinated and linked. This feature is considered by three criteria: fundamental values, consensus, coordination, and coherence.

3-Adaptability: Organizations are guided by customers. They risk and mindful of their mistakes and they have the capacity and experience of making changes. They continually improve the organization's ability to value the customers. This feature is evaluated by three criteria: change, customer orientation, organizational learning.

4-Mission: The organizations that do not know where they are and what their existing situation is they often go astray. In this situation, a strong leader will define the vision of an organization and will create a culture that supports this perspective. This characteristic will be studied by three indicators: trends and strategic direction, goals and objectives, vision Denison, 2000.

Fixed ranges - flexible and internal-external focus

As it is seen in Denison Model, This model consists of two vertical and horizontal axis arrangements dividing the model into four parts) a quadrant .The vertical axis includes the amount and type of focus corporate culture. This axis ends to internal focus on the one hand and leads to an external focus. The horizontal axis refers to the degree of flexibility on one hand to static culture and on the other hand leads to a lean culture [2].

Productivity
Hersey model or ACHIVE model

For maximum effectiveness in assessing and resolving performance issues, managers must determine the causes of problems. ACHIEVE model by Hersey and Goldsmith has been planned to help managers to determine the causes of performance problems and creating change strategies to solve these problems.

Hersey and Goldsmith have chosen seven variables related to effective performance management from among the rest: incentives, capabilities, perceived organizational support, environmental compatibility, and feedback [4].

To develop a model for analyzing human performance, Hersey and Goldsmith had two main goals in mind.

1-Determining the key factors can affect the performance of the individual employee.

2-Providing these factors can be remembered and applied.

1-Ability

In the models, ACHIEVE, the term ability, refers to the knowledge and skills of followers. The ability key components include knowledge relating to task (formal and informal training that will facilitate the completion of a specific task), the experience relevant to the task (the previous work experience that helps the successful completion of homework) and functionality related to the assignment (potential capability or traits that reinforce successful completion). Managers should ask in analysis function: Is this the very person who has the knowledge and skills necessary for successful completion of this task or not?

2- Clarity of role (perceived or imagination of role)

This term is defined to perception and acceptance of know - how of work. To enable followers to have a thorough understanding of the problem, the objectives, and main goals should be clear for them to achieve these goals and objectives (which goals and at what time they are most important [4].

3-Help (organizational support)

The term Help refers to supportive or organizational help, in which the follower needs it to complete his work effectively. Some organizational support factors include funding, equipment, and facilities which are necessary to complete the task, the necessary support by other circles, availability of the product and its quality and adequate human resources.

4-Incentives

The term incentives are defined to motivate followers or the motivation to complete tasks related to a particular successful task analysis. In evaluating the motive we must not forget that motivates many people to complete assignments there are more that intrinsic or outside rewards. Evaluation training and performance feedback.

5-Evaluation

is defined to casual daily feedback performance. The process of continuous feedback allows followers to be aware of how we work. If people are not aware of their performance problems, improving the performance is expected unrealistic. Before the official assessment, they must be informed of the results of informal assessments regularly. The cause of many performance problems seems to be a lack of necessary training and performance feedback.

6- Validity /Feedback

Validity is applied to the appropriateness and validity of legal decisions regarding human resources. Managers must ensure that decisions taken by the people should be appropriate in terms of legal, court and corporate policy.

7-Environment (environmental relevance)

The term environment refers to those external factors that can affect the performance despite the ability, clarity, support and motivation for the job. The key elements of environmental factors include: competition, changing market conditions, governmental regulations, logistics and such these things... [4].

Denison organizational culture communication and productivity:

Organizational culture can be used as a powerful lever to guide and strengthen organizational behavior [5].

1. Involvement at work and productivity

This concept has not entered into organizational issues more than two decades.

The staffs involved at work are usually energetic and active and they interact positively with their work and try to effectively fulfill their jobs. The results indicate that employee involvement at work can have a significant impact on the profitability and productivity of organizations. The writings and research in this area indicate that involvement of employees at work is under the influence of various personal, occupational and organizational factors. One of the most important organizational factors that may affect the involvement of work is the amount of employees' perception of fairness in the working environment.

This occurs in the context of social exchange theory, in the theory of social exchange the relationships between employees with their leaders in organizations is a transaction in accordance with a psychological contract. When organizations meet the expectations of their employees, the employees of the organizations will also meet the expectations of the organization. Among the important expectations of employees from their leaders, is the fair conduct towards them.

Employees would like their leaders to treat them with fairness and impartiality. In this case, they will also try to be fair and they will try to be fair in their organizations and involve themselves more and will leave a higher yield [6].

2 - Consistency and productivity

One of the most striking characteristics of the present era is the dramatic and continuous change, which occurs in all phenomena. Consequently, the success of today's organizations is an adaption to changes in the external environment and without the change in the staff and their capabilities it will not be possible.

-organizational adaptability

It includes the environmental imposed demands on the activities of the organization.

Overall, three dimensions of adaptability affect the effectiveness and efficiency of the organization and include:

1-The ability to understand and respond to the external environment

2-The ability to respond to customers

3-The ability to rebuild and re-establishing a set of behaviors and procedures that allow organizations to adapt.

These changes are beneficial, but a successful organizational change towards greater compliance is along with the demand, requires a change in the capabilities of the organization staff [7].

Adaptability and productivity

They are other factors relating to the coordination of work, occupational adjustment. Satisfaction is the stimulating of healing behavior and regeneration and dissatisfaction is a drive of consistent behavior. In some cases, the mismatch between the needs of a person is significant environmental and person will be forced to go through an adjustment. Job Adjustment is an important factor to continue successful employment.

Everyone expects to provide employment, health and credit for individuals and meet his basic needs.

Many definitions have been provided in the field of occupational compromise, a compromise can be considered as a set of occupational composition and psychological and non-psychological factors. Job adjustment theory is based on the concept of the relationship between the individual and the environment. Job adjustment theory considers work more than a step by step task-oriented process.

Labor involves human interaction and is the source of satisfaction, reward, stress and many other psychological variables. The basic premise of this theory is that the person wants to achieve and maintain a positive relationship with a work environment. According to Davis and Luff Kist, people enter their needs into the workplace, and the environment also claims of the individual. In order to survive the individual and the environment both must reach to some degree of coordination.

Two key elements in this theory are the environment structure and adaptation of the work. Work adaptation is at its best time when the environment and individual could coordinate business requirements with work skills. Changes could also cause satisfaction. Employees' efforts to improve the coordination of their work environment can be considered as measures to achieve work consistency. Usually, compatibility is obtained for one of two following modes: action and reaction. In practice, staff attempts to alter the work environment, while in a reactive mode they try to adapt themselves better with the environment [8].

Mission Culture and productivity

The mission is a brief statement expressing the type of mission, purpose, and reason for its existence and the values that the organization is bound to it. In fact, it is according to the goals and tasks of the mission and activities of an organization is formed and developed [9]. Inset of organization's activities. Defining the organization's mission, Fisher determining long direction. Also, Melba Wang and Fang have stated the mission of an organization: are objectives, definitions, and concepts of organizations that are achieved by defining external goals and the organization's social role. Primarily in organizations that have a strong organizational mission, people with a clear understanding of the mission of the organization, will be able to image a desirable future of the current behavior of the organization and lead the organization closer to our goals. The lack of strong and clear organizational mission will cause confusion of the people in a way that common goals for employees will not be clear, meaningful and stimulating. Finally, many problems will create in access to goals [10].

MATERIALS AND METHODS

Methods 1- Involvement 2- Consistency 3- Adaptability 4-Mission

This study is of applied type and in terms of method is a descriptive field. The statistical population consisted of all employees between January and February 2013 among which a questionnaire was distributed. The organizational culture variable has been established of four components - 1- Involvement 2- Consistency 3- Adaptability 4-Mission-. Inventory productivity Hersey and Goldsmith (1980) is known as Achieve. Software Spss, Pls was used for statistical analysis.

In this study, the sample size is calculated using Cochran formula and have been met which contains 60 of which are intended volume 40 people.

Evaluation of model Measurement

Exterior investigation of the model includes load index research, the reliability, and validity of the exterior model

1-Load index or questionnaire

The [Table -1]and graph below, the factor loading coefficients the questions are more than 0.4 that confirms the acceptability of variance indices with its associated structures and highlights the appropriateness of these criteria.

Table: 1. Load factor questionnaire

Structure		Number of Questions	Load factor
Average of engaging culture/- Involvement		Question 1 to Question 15	0.557
Average of compatibility culture/ Consistency		Question16 to Question 30	0.875
Average of culture of adaptability		Question31 to Question45	0.907
Average of culture of mission		Question46 to Question60	0.613
productivity with the factor analysis on two factors Categorized	Average of Help Clarify understanding, Ability	Question 1 to 3 the ability ,questions 4 to 7 to understand the job, questions 8 to 11 to institutional support	0.894
	Average of Environmental compromise· Incentive· Evaluation and Validity	Questions 8 to 11 organizational support, questions 12 to 15 motivation and question 16 to 19 feedbacks, questions 20 to 26 refers to credit.	0.933

To investigate the reliability of exterior model the standard composite reliability and Cornbrach’s alpha is used.

Table: 2.Measurement model

Change	Number of Questions	Cornbrach’s alpha	Reliability Tools	Average Variance Extracted(AVE)
productivity	60	0.805	0.910	0.835
Culture	12	0.746	0.8358	0.566

[Figure–2] shows the path coefficients of the loads

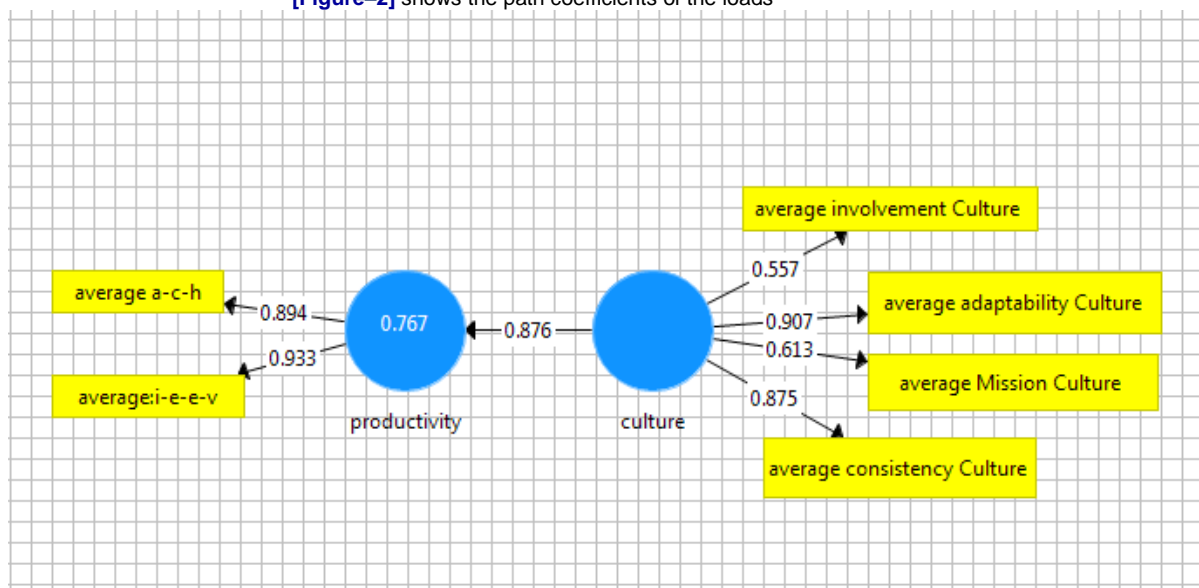


Fig :2. factor and the factor loadings

Fornell and Larcker, method

This metric represents the relationship between structures with its indices in comparison with its relationship with other structures. According to this method, when divergent validity is at an acceptable level the variance of the AVE is greater than for each construct and other communal structures and other structures (the square of the correlation coefficient between structures). This model will be carried out through a matrix and in a case of divergent validity is accepted the numbers in the diagonal of the underlying values is higher.

Table 3. Fornell and Larcker

productivity	culture	
	0.914	culture
0.876	0.754	productivity

Exterior model:

This section examines the hypothesis generated. To check the structural model the significant coefficients Z and the coefficient of determination has been used.

1. T-value significant coefficients

T model structure using coefficients is that these factors must be greater than 1.96 to approve confidence level 0.95. T amount just shows the true relationship and intense relationship cannot be measured [Figure-3].

2. The coefficient of determination (R Square) R2

According to 0.767 the coefficient of determination is at an acceptable level.

The survey of research hypotheses

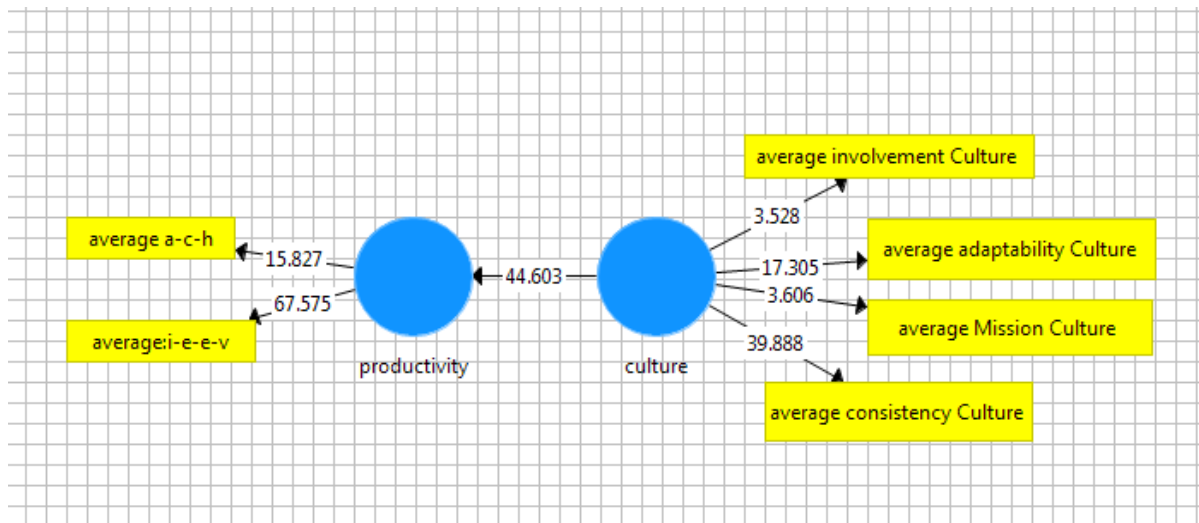


Fig. 3. Structural equation modeling analyzed and statistic T

Since the statistic, T is higher than 1.96 .Accordingly, all paths were significant. Based on the [Figure- 3]summarized information in [Table-4] .(Primary and secondary hypotheses are confirmed).

Table 4. Summary of results of hypothesis testing on partial least squares method

Research hypotheses		Path coefficient	T-statistic	The coefficient of determination	Hypothesis test result (p <0.05)
The Culture of mission affects the productivity	Organizational	0.876	44.603	0.767	Confirmed

Compatibility culture affects productivity.					
Adaptability culture affects productivity.					
Culture of involvement affects productivity					

RESULTS

The results show that there is a significant positive relationship between organized culture and employee's productivity. Organizational culture is considered as a factor in productivity and performance in the organization, so if work culture is well spread among management and employees, organizational commitments and moralities will increase. Thus, a better performance and greater efficiency will be made.

In order to eliminate the weaknesses and strengths points in organizational culture to increase productivity performance of employees, according to a survey conducted in this study, the following suggestions are offered: The culture of an organization's culture affects society and culture is transferred on the arrival of newcomers. Therefore, necessary training is in the social ability direction. To demystify the job, employees must explicit their work objectives and their behaviors and meet the management expectations.

Participation of employees should be paid attention .It is a suitable means to encourage employees participation and their performance. In order to establish better cooperative system simple systems such as the suggestions should be used.

According to ACHIEVE model, knowledge and ability of supervisors, specialists and managers should be promoted and those who spend all stages of formal and informal education should granted special privileges so that they are motivated. Leaders must present support and credibility and organizational environment for creative ideas and issues should be openly expressed to prevent poor staff morale. This will cause the trust of managers and productivity.

With regard to corporate culture, the easiest way of dealing with culture is the change in the norms Desirable organizational culture plays the most critical role. So managers should be patterns. They should motivate among thousands of people and be a role model for their followers. This requires an organizational commitment to their values and beliefs.

CONCLUSION

According to the results ultimately in promoting and enhancing the productivity of the organizational culture is very effective. The coefficient of determination is 0.767 percent, which is the appropriate coefficient of determination. As well as all indices of measurement model were approved and the corresponding hypothesis was confirmed.

CONFLICT OF INTEREST

The author declares having no competing interests

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