

## Surveying the Driving Affecting Factors on Organizational Culture at Organizational Level

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### ABSTRACT

The purpose of writing the current paper is to identify the driving affecting factors on organizational culture in one of the Iranian companies. These factors are includes individual creativity, management support, output orientation, reward system, direction and team orientation. For this mean, 2 questionnaires were designed and after proving their validity and reliability distributed among participants.

The results of applying Chi Square and Friedman tests show that all 6 mentioned factors has positive and meaningful influence on organizational culture. Also the results of Binomial test illustrates all variable apart from reward system were placed in high level.

Leadership and direction was the most important one which AHP technique proved it. And finally Spearman test show that there is no relationship between employees' demographic characteristics and their perception of organizational culture.

**KEYWORDS:** organizational culture, individual creativity, management support, output orientation, reward system, direction and team orientation.

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### 1. INTRODUCTION AND PROBLEM STATEMENT

Considering this point that organizational behavior of all employees is influenced by the dominating culture. So it can be claimed that if cultural values be in their correct place not only they are able to be a unifying power among the official figures but also, an appropriate means in order to besieging organization forces to achieve general goals and of course objectives (Ghorbani and Rahimai, 2012).

Organizational culture is not a touchable process and it can not be distinguished easily. In fact, it is like an ice mountain in which the top of it is upper than water and most of it is invisible. But it is a real indicator of organization member's way of life (Thompson and Geoff, 2002).

Work culture depends on ones view and belief which have about the work. The positive Work culture is a cultural way. It supports one's responsibility toward the work the employees are going to do and is based on a belief which the work cultures an intrinsic value (Salehi Omran, 2012).

Organizational culture can have a considerable influence on human resource performance. Thus, positive and strong organizational culture can be distinctive for controlling undesirable behavior, prevention of corruption, thousands of family, etc. The organizational culture is intended as a powerful factor which affects on productivity and performance (Khorshidi and Panji, 2012).

Organizational culture as a real and powerful phenomenon has affected on all organizational aspects and played vital role for all organizations to achieve their goals and objectives. Also organizational strategies are executed and implemented successfully attending to organizational culture (Hossein Nejad, 2002).

Abyek Co is one of the most successful ones in Iran. So attending to organizational culture is considered as a critical success factor. Attending to important role of organizational culture in Abyek Co, in the current study we are trying to survey the driving affecting factors on organizational justice and finally rank it dimensions.

Therefore the main question of the research can be presented as:

Which factors are affected on organizational justice in Abyek Co?

### 2. LITERATURE REVIEW

#### 2.1. Organizational culture

There are different definitions about organizational culture. Edgar Schien believes: "organizational culture is an accumulation of common learning during the history and refers to structural strength, its sample and evolution". Generally,

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organizational culture is a perception which employees have about their organization, and it exists neither in the organization nor in people, special characteristics of an organization illustrate usual and consistent properties which identify people from each other (Nakhaie et al, 2011).

Organizational culture is a connected bed which links the organization's aspects. Robbins claims: "organizational culture determines the way of doing affairs in the organization for individuals; it is an identical perception of the organization observed in all organizations' people. It illustrates usual and consistent characteristics which identify the organization from others. In other word organizational culture determines social identity of each organization" (seyyed javadin, 2008).

Organizational culture is a system full of common concepts and meaning which is maintained by the employees and separates one organization from the others. It is a collection of key characteristics which organization valorize for it (Robbins, 1993).

A lot of researchers have surveyed the role of organizational culture in organizations. They believe that organizational culture can be applied as a powerful tool for controlling behaviors and enhancing employees' performance and productivity (Mehrabi et al, 2012).

In other definition organizational culture is a set of common beliefs, values, understandings and thinking methods which the employees are common in them (Smircich, 1993).

Applying the organizational culture of the early eighties of the twentieth century intensified earlier this century (twentieth one), who surveys organizational problems started to utilize other words. Ketz and Kahn Psychologists have long applied the concept of group norms. Cats and old in the second edition of his book entitled; *The social psychology organization*; of the terms, norms and values have been applying the term; as one of the phenomena of cultural property which had been utilized in observations and measurements their Nmaya. The concepts require to be in the way that researchers examine how the performance of different organizations, to help end the deep, rich; organizational culture; in front of the researchers have tried to explain this American organizations because of their counterparts in other societies, especially Japan organization for optimal performance in all these disputes have concluded which national culture is not enough to describe and explain these differences, followed by the researchers so (Hatami et al, 2012).

Quinn & Gareth have separated organizational culture into Four Groups:

**Rational Culture:** It seeks to realize the goals and objectives of the organization by applying goal-based and guided style.

**Participatory Culture:** It aims to survive the group with participation in order to increase relationship qualification.

**Ideological Culture:** It seeks the missions, growth and commitment to the values of organization with a charismatic leadership.

**Hierarchical Culture:** It tries to control and stabilize the organization by carrying out the commands and by meeting the rules and laws (Ghorbani and Homaye Razavi, 2011).

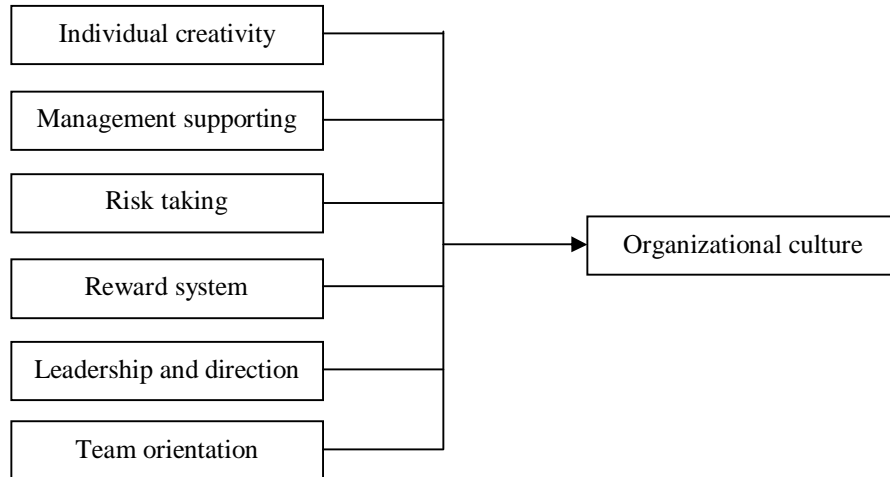
Having established which organizational culture comprises a range of complex social phenomena, it is not surprising which scholars have identified corporate culture as a multi-layered construct that can be separated into layers according to these phenomena's accessibility.

In other definition organizational culture is defined as patterns of shared values and beliefs over time that produces behavioral norms which are adopted in solving problems (Owens 1987; Schein, 1990). The organization's internal environment is represented by its culture and is construed by the assumptions and beliefs of the managers and individuals (Aycan et al., 1999). Organizational Culture manifested in beliefs and assumptions, values, attitudes and behaviors of its members is a valuable source of organizations' competitive advantage (Hall, 1993; Peteraf, 1993) since it shapes organizational procedures, unifies organizational capabilities into a cohesive whole, provides solutions to the problems faced by the organization, and, thereby, hindering or facilitating the organization's achievement of its goals and objectives (Yilmaz, 2008).

## 2.2. Conceptual framework of research and hypotheses

The model below is combination of Hassan Zadeh (2003) and Eshraghi et al (2011) studies in which organizational culture has 6 dimensions includes individual initiative, management support, output orientation, reward system, direction and team orientation.

These dimensions are considered as independent variables and organizational culture is a dependent one.



Conceptual framework of research (Hassan Zadeh, 2003; Eshraghi et al, 2011)

1. Individual creativity has positive and meaningful influence on organizational culture.
2. Management supporting has positive and meaningful influence on organizational culture.
3. Risk taking has positive and meaningful influence on organizational culture.
4. Reward system has positive and meaningful influence on organizational culture.
5. Leadership and direction has positive and meaningful influence on organizational culture.
6. Team orientation has positive and meaningful influence on organizational culture.

### 3. RESEARCH METHODOLOGY

The study was done in a society includes 989 employees of Abyek Company – an Iranian cement producer- which was reduced into 277 people by utilizing sampling formula (Azar and Momeni, 2001):

$$n = \frac{NZ^2 \frac{1-\alpha}{2} pq}{(N-1)\epsilon^2 + Z^2 \frac{1-\alpha}{2} pq} \Rightarrow \frac{989 \times (1.96)^2 \times (0.5)^2}{988 \times (0.05)^2 + (1.96)^2 (0.5)^2} \cong 277$$

Current study can be considered as a descriptive survey if to view from data collection aspect and as an applied research if to investigate the goals of the study. To collect the data library method (to refer to books, articles, libraries, etc...) and fieldworks (questionnaire) was being applied.

For assessing questionnaire validity we asked for experts' opinions and to confirm its reliability Cronbach's alpha method has been applied. The reliability results calculated which was above the reasonable threshold (0.7).

### 4. Data analyzing

#### 4.1. Chi- Square test

To identify the relationship between individual creativity, management support, output orientation, reward system, direction and team orientation with organizational culture. The results are shown in table below:

**Table 2: the results of using Chi-square test**

Variables	P_Value	Sig	Result
Individual creativity	11.224	0.000	Positive relationship
Management supporting	7.685	0.000	Positive relationship
Risk taking	9.219	0.000	Positive relationship
Reward system	10.841	0.000	Positive relationship
Leadership and direction	12.416	0.000	Positive relationship
Team orientation	8.753	0.000	Positive relationship

Table 2 shows that there are positive and meaningful relationship between individual creativity, management support, output orientation, reward system, direction and team orientation with organizational culture in Abyek Co.

#### 4.2. Friedman test

To survey the influence of individual creativity, management support, output orientation, reward system, direction and team orientation on organizational culture, Friedman test was utilized. The results are presented in table 3:

**Table 3: the results of using Friedman test**

Variables	Standard error	Sig	Result
Individual creativity	0.05	0.000	Positive influence
Management supporting	0.05	0.000	Positive influence
Risk taking	0.05	0.000	Positive influence
Reward system	0.05	0.000	Positive influence
Leadership and direction	0.05	0.000	Positive influence
Team orientation	0.05	0.000	Positive influence

Also table 3 illustrates positive influence of individual creativity, management support, output orientation, reward system, direction and team orientation on organizational culture.

#### 4.3. Binomial test

To survey the levels of research variables Binomial test was applied as:

**Table 4: the results of using Binomial test**

Variables	Test Prop.	Observed Prop.	Sig	Result
Individual creativity	0.5	0.8	0.000	Positive relationship
Management supporting		0.9	0.000	Positive relationship
Risk taking		0.9	0.000	Positive relationship
Reward system		0.3	0.165	Positive relationship
Leadership and direction		0.9	0.000	Positive relationship
Team orientation		0.8	0.000	Positive relationship

As table 4 shows sig amount for all variables except reward system are less than standard error of research (0.05), so we can claim that all variables apart from reward system are placed in favorable places.

#### 4.4. AHP<sup>1</sup> technique

To prioritize organizational culture dimensions, AHP technique was utilized. Table 5 shows the final rank of variables:

**Table 5: Paired comparison matrix for organizational culture**

Indices	Individual creativity	Management supporting	Risk taking	Reward system	Leadership & direction	Team orientation
Individual creativity	1	0.29	0.52	0.34	0.47	0.12
Management supporting	0.29	1	0.35	0.41	0.32	0.57
Risk taking	0.52	0.35	1	0.19	0.43	0.24
Reward system	0.34	0.41	0.19	1	0.37	0.22
Leadership and direction	0.47	0.32	0.43	0.37	1	0.51
Team orientation	0.12	0.57	0.24	0.22	0.51	1

Mean squares and final rank of dimensions are presented in table 6:

**Table 6: The mean squares of dimensions**

Indices	Individual creativity	Management supporting	Risk taking	Reward system	Leadership & direction	Team orientation	Mean
Individual creativity	0.36	0.10	0.19	0.13	0.15	0.05	16.33
Management supporting	0.11	0.34	0.13	0.16	0.10	0.21	17.50
Risk taking	0.19	0.12	0.37	0.07	0.14	0.09	16.33
Reward system	0.13	0.14	0.07	0.40	0.12	0.08	15.66
Leadership and direction	0.17	0.11	0.16	0.15	0.32	0.19	18.33
Team orientation	0.04	0.19	0.09	0.09	0.17	0.38	16

Table 6 shows that leadership and management supporting are the most important dimensions of organizational culture.

<sup>1</sup> . Analytical Hierarchy Process

#### 4.5. Spearman test

To survey the relationship between demographic characteristics of employees and their perception of organizational culture, Spearman test was applied.

**Table 7: the correlation between employees’ demographic characteristics and their perception of culture**

Correlation	Spearman r	Sig	Test result
Age	0.15	0.154	No relationship
Gender	0.28	0.242	No relationship
Educational level	0.14	0.119	No relationship
Job experience	0.35	0.096	No relationship

As table 7 shows there are no correlation between employees’ demographic characteristics and their perception of organizational culture.

#### 5. Conclusion and suggestions

The world around us is a complex one which is improving quickly. Now the condition has been created in which organization are competing together drastically as the least ignorance may treat their identities. So the organizations have to fight generally for their retention and maintenance.

The study was accomplished in a society includes 277 people of Abyek cement Company.

For measuring organizational culture, we applied 6 dimensions: individual creativity, management support, output orientation, reward system, direction and team orientation.

To collect data from participant 2 questionnaires were utilized.

##### 5.1. Results

###### 5.1.1. Chi Square test

For data analyzing first of all by applying Chi Square test, positive and meaningful relationship between 6 mentioned dimensions and organizational culture was proved.

###### 5.1.2. Friedman test

After that results of using Friedman test confirmed direct influence of 6 dimensions on organizational culture.

###### 5.1.3. Binomial test

Also Binomial test show that all variables apart from reward system were placed in favorite place.

###### 5.1.4. AHP technique

To prioritize organizational culture dimensions AHP technique was utilized in which between the dimensions “leadership and direction” and “management supporting” were selected as the most important ones.

###### 5.1.5. Spearman test

Finally to survey the relationship between employees’ demographic characteristics and their perception of organizational culture Spearman test was applied which no relationship was observed.

##### 5.2. Suggestions

As all dimensions had positive and meaningful influence on organizational culture, so the suggestion can be presented as follow:

###### - Individual creativity

To improve individual creativity managers are advised to create work teams, delegate to their people, involving them in decision making, respect to employees’ ideas and planning for more communication with employees to exchange knowledge and experience.

###### - Management support

To increase management support some suggestions like “appreciating of employees to make them more satisfied”, “proving positive and regular feedbacks” and “creating an appropriate system to make proper communication between employees and top managers” can be presented.

###### - Risk taking

Leaders and managers for enhancing their people risk taking can try to increase self-determination abilities, not to punish them for their mistakes and encouraging them to do new and difficult works.

###### - Reward system

”Considering rewards in terms of employees’ competencies”, “considering more budget for increasing rewards” for cash rewards “making regular promotion system”, “job rotation” and “job enrichment” as non-cash rewards are some suggestions to improve reward systems in Abyek Co.

As the results shows reward system was place in unfavorable place, so the managers are suggested to attend to this factor more than before.

#### **- Leadership and direction**

Managers should create a favorable image of organization's future for employees and define the goals and objectives that are distinguishable and measurable for them. Also time horizons of goals and objectives should be defined for every one.

#### **- Team orientation**

Making educational course for employees and explaining teamwork advantages for them, designing job to facilitate doing work as a groups and teams and making group works for problem solving to improve cooperation spirit are some suggestion for team orientation.

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