

Evaluation of the Relationship between Dimensions of Organizational Culture and Human Resource Productivity

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ABSTRACT

The present research goal is investigation of the relationship between organizational culture (OC) dimensions (management support, taste difference toleration & communications pattern & HR productivity) & human resource productivity (HRP) dimensions (employees' motivation, performance feedback & employees' credit). The research's statistical population was Iranian Narcotics company employees. Questionnaire was the data gathering tool & results showed that all organizational culture dimensions had positive, direct & significant relationship with HR productivity dimensions.

KEYWORDS: organizational culture, HR productivity, Iranian Narcotics Company.

1. INTRODUCTION

Human beings have different characters & various capabilities & environmental factors have unpredictable outcomes on spiritual & material behavior & motivations, but some attempts have identified human behavior is some special environments & have defined the expected results. One of these factors is organizational culture that defines identity, values & beliefs of individuals in an organization (Pourkazemi & Navaee, 2004).

Culture of each organization is a combination of values, beliefs, norms & attitudes that individuals share in an organization (Iran Nejad Parizi, 2008) & has great impact on organization's structure, internal & external environment, technology & workforce & the most important on productivity & strategy of the organization. Culture constitutes musts & taboos & organizational behavior form (Nasiripour et al, 2009). One of the main goals of each organization is productivity. Great achievements of small organizations with the least facilities & demise of financially powerful companies in the last decade, highlighted the role of non-material factors in companies success where organizational culture is one important factor in organizational performance (Nasiripour et al, 2009).

In fact, it can be said that individuals do not grow in vacuum & general cultural space & organizational culture in particular play role in their personality evolution. Therefore, performance & productivity are affected by organizational culture. Productivity's core subject is an organization or society's human resource & if human resources of an organization be motivated enough, they will use their abilities & skills in company's growth route. Therefore, organizational culture can help motivating & applying employees' talents & improving productivity (Jafari Nia, 2004). In this research, mutual relationship between these two important matters (organizational culture & human resource productivity) has been studied.

Theoretic literature

Organizational culture

Organizational culture was noticed since 1980 decade as a new matter in organization & management literature. A considerable number of researchers like Hofstede & Schein have considered organizational culture. They believe that OC can be used as a tool for controlling behaviors, favorable behaviors spread & better performance achievement when dealt with from a functionalistic perspective. They believe that culture must be managed (Ra'naee, 2007).

OC has been an interesting subject & many researchers have tried to present different definitions of it. Organizational behaviors & beliefs make up Organizational culture (Jafarinia, 2004). Therefore, Organizational culture is a system of common inference that members have towards an organization & this characteristic separates two Organizations (Feghhi Farahmand, 2009). Organizational culture definitions generally describe people behavior or attitude (Jafarinia, 2004). Chris Argyris considers organizational culture as an animate system & defines it as

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people's behavior or the way they think & feel & behave based up on it (FeghhiFarahmand, 2009). French defines organizational culture as: organizational culture refers to values, beliefs, speculations, norms & goals that are accepted within organizations (Jafarinia, 2004).

Another expert defines OC as: OC is the way of doing tasks in an organization. It is a common perception from the organization that distinguishes between organizations. In other words, OC determines social identity of each organization (ibid). OC reflects the basic philosophy of organization's leaders. Also, OC is reflected in an organization's mission (Gordon, 1996).

The most comprehensive definition that can include other definitions is Schein's definition: A pattern of basic concepts that a group creates, discovers or invents in order to overcome external concordance issues & internal integration. This new creation is regarded as a value & new members consider it as a true way for thinking & feeling & behaving in relation to their own issues (Monavvarian et al, 2008). Academic researchers consider OC as the Japanese success key, so that they believe strong OC can affect employees commitment & substitute formal regulations & even work better than organization's formal control (Feghhi Farahmand,2009).

In Japanese companies, common values among employees & management are considered as a method for motivation employees in achieving targets (Jafarinia, 2004).

RESEARCH LITERATURE REVIEW

In 1980 decade, OC researchers were highlighted by Peters & Waterman in a book titled " In search for excellence" & Onchi's theory also verified OC. He believes that organizational productivity & concordance are very important. Contemporary researchers consider culture as organizational life fundamental that affects values, beliefs & norms & directs organizational activities (Morgan, 1998).

Productivity

Productivity is not a new concept & goes back to human creation but it's new concept goes back to industrial revolution. Human has always looked for useful, efficient & effective use of abilities, facilities & resources. Resources limitation, population growth & needs change has made economists, politicians & managers to deal with productivity increase more attentively (Heidari, 2006).

Productivity is a factor that guarantees organizations life & success in current competitive world. Favorable productivity is not achieved by structures change, adding new technology or new instructions but human is in the core of any social or organizational productivity. Therefore the most attention must go to human factors (Henry et al, 2006). International Labor organization defines productivity as: ratio of output to one of the production inputs (like land, capital, management & workforce).

In 1958 European productivity agency defines productivity as: degree & intensity of effective use of each production factor. Furthermore, this organization announced that productivity is a way of thinking that any individual carries out his task every day better than yesterday (Taheri, 2009).

Research variables definition

Organizational culture: a pattern of beliefs, symbols, legends, & everyday performances that is common in all organizations. Therefore culture is not something simple & separable from all of the organization, culture of each organization is the organization itself (Monavvarian et al, 2008).

Management support: refers to management relationship with employees in order to help & guide & support them (Monavvarian et al, 2008).

Taste difference toleration: is a limit in which employees are encouraged to express their criticisms & opposing ideas.

Communication pattern: This factor investigates intra- organizational communications type (ibid).

Productivity: is a concept that states the relationship between produced product (presents service) & input. This relationship is usually expressed in a simple form as a ratio of output to input.

Efficiency: is the ratio of real efficiency to standard & predetermined (expected) efficiency. Or the ratio of work done to the work that must be done (Tavari et al,2008).

Motivation: means employees motivation to carry out work.

Performance feedback: this kind of feedback means informal daily performance reporting to an individual & formal periodic visits to his/her work so that employees/individuals become aware of their working quality.

Validity: it means the degree of validity of manager's decisions related to human resources from legal & normal perspective (Rezaeeian,2001).

In fact we can say that OC affects thoughts & behaviors of members and can be a starting point for motion or an obstacle against advance. OC is among the most basic change & transformation fields (Zaree,2007). Considering the fact that human resources is the most valuable and rarest factor amongst production factors (land, human resources, technology, capital), human resource is regarded as the most important productivity factor, therefore, we come to OC's importance and its effect on employees productivity. If an organization's culture pays high attention to good performance, productivity & ... and improves employees productivity or supports productive employees, overall organizational productivity will increase (Jafarinia, 2004).

Organizational culture & productivity

The relationship between OC & productivity is not clear in the theories. This not true that stronger culture brings higher productivity. OC values are detailed & complex & control a wide range of individual & organizational behavior. OC strong values may affect performance & productivity positively at first but if cultural controls & individuals commitment is high towards OC factors, then some restrictions are created from cultural patterns & these restrictions cause the organization's behavioral inflexibility towards environmental changes, & this affects negatively organizational productivity. Because common understandings development may affect control process through forming perceptions & members' commitment to their values & works. But these common understandings may reduce organizational talent for environmental learning & conformity. Therefore OC can not be stated with a simple model or relationship. Strong culture is a capital and can lead to appropriate decision-making, increase motivation & increase commitment. But strong values may sometimes restrict necessary changes in the organization with environmental circumstances.

In this case, OC will not be effective and will act negatively. For example, if a company has focused on strong culture of engineering & production & price reduction, switching to a new dynamic & creative & market-oriented culture will be difficult because the previous strong culture was proportionate to its specific environment.

Conceptual Framework of research

Figure1 depicts the conceptual model of the research. This model shows the causal relationships between 3 components of OC variable including (management support, taste difference toleration & communications pattern) & 3 dimensions of

HRP variable including (motivation, performance feedback and validity). The hypothesis therefore can be expressed as follows:

H₁: there is significant relationship between management support and employees motivation of Iranian Narcotics Company.

H₂: there is significant relationship between management support and employees performance feedback of Iranian Narcotics Company.

H₃: there is significant relationship between management support and employees validity of Iranian Narcotics Company.

H₄: there is significant relationship between taste difference toleration and employees motivation of Iranian Narcotics Company.

H₅: there is significant relationship between taste difference toleration and employees performance feedback of Iranian Narcotics Company.

H₆: there is significant relationship between taste difference toleration and employees validity of Iranian Narcotics Company.

H₇: there is significant relationship between communications pattern and employees motivation of Iranian Narcotics Company.

H₈: there is significant relationship between communications pattern and employees performance feedback of Iranian Narcotics Company.

H₉: there is significant relationship between communications pattern and employees validity of Iranian Narcotics Company.

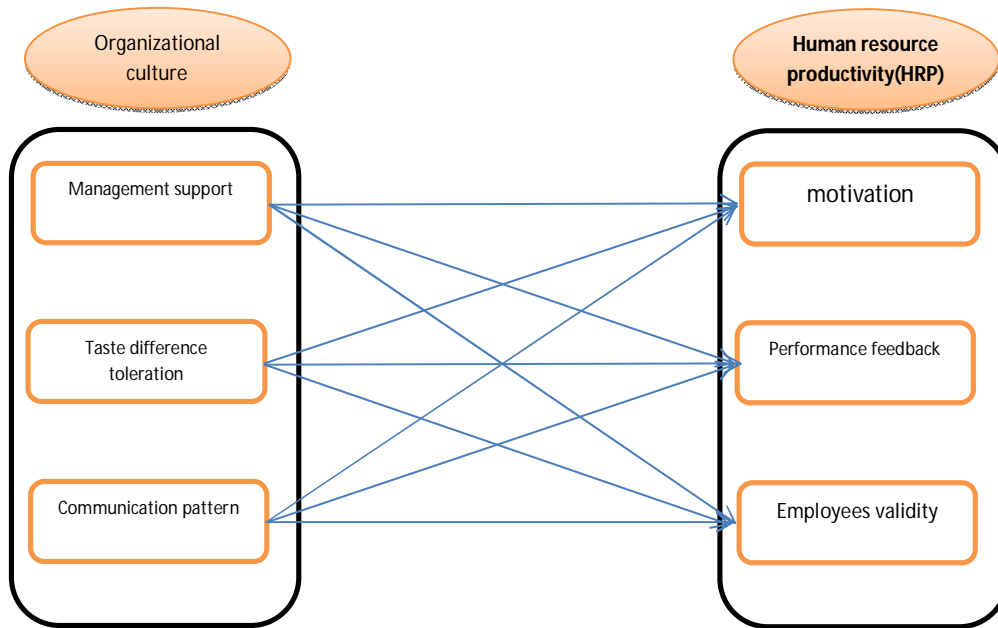


Figure 1. Research model

The questionnaire

Data gathering tool was questionnaire in this research. Likert's 5-point scale was used from <very low> up to <very much>. The questionnaire included 9 questions for measuring OC variables including (3 questions for management, 3 questions for taste difference toleration and 3 questions for communications pattern) and 9 questions for human resource productivity (3 questions for motivation, 3 questions for performance feedback and 3 questions for validity) that makes 18 questions altogether. Questionnaire reliability was tested with Chronbach's alpha where it was greater than 0.7 and also 30 questionnaires were distributed among Company's employees as pretest. Validity was verified by experts.

Data gathered through questionnaires was obtained from staff members of Iranian Narcotics Company population in 1390 that included 862 people. Because statistical population was limited and numerable, then Cucheran's formula was used to give 203 people as statistical sample. The questionnaires were distributed among employees in simple accidental method during one week when 230 questionnaires were distributed and finally 204 questionnaires were usable for this research. Return rate of the questionnaires therefore was 0.89. Demographical information of the respondents are presented in Table 1.

Frequency percent	frequency	dimensions	Variable
42.6	87	male	Gender
57.4	107	female	
24	49	Under associates	Education
16.2	33	Associates degree	
47.5	97	bachelor degree	
12.3	25	Master degree	
2.9	6	Formal employee	Employment type
50	102	Permanent worker	
47.1	96	Contract worker	
29.9	61	1 to 5 years	Experience
33.8	69	6 to 10 years	
14.7	30	11 to 15 years	
6.9	14	16 to 20 years	
14.7	30	21 years and more	

Data analysis

This research's main goal was the investigation of relationship between OC and human resource productivity for Iranian Narcotics Company employees. In order to test the hypotheses and study the existence and type of

relationship between OC dimensions and HRP dimensions, Pearson correlation test was used to study how OC affects HRP, linear regression test was used.

Research hypothesis test

Correlation analysis is a statistical tool for determining type and intensity of relationship between two variables. Pearson correlation test was used to test hypotheses in this research. Significance of correlation coefficient means whether the resulted correlation between two variables is accidental or there is real correlation between two variables. In this relationship the following hypothesis must be tested:

$$\left\{ \begin{array}{l} H_0 : \rho = 0, \text{ there is significant correlation} \\ H_1 : \rho \neq 0, \text{ there is no significant correlation} \end{array} \right.$$

Correlation test results are summarized in Table 2 Where correlation coefficient between all pairs of variables have been listed.

Table 2.correlation coefficient of all variables.

	Management support	Taste difference toleration	Participative leadership	motivation	Performance feedback	Employees validity
Management support	1					
Taste difference toleration	.380**	1				
Communications pattern	.319**	.358**	1			
motivation	.444**	.548**	.521**	1		
Performance feedback	.488**	.603**	.563**	.693**	1	
Employees validity	.404**	.293**	.459**	.503**	.553**	1
**significance in 99 percent level						
*significance in 95 percent						

As it can be seen on Table 3, the relationships between OC dimensions and all HRP dimensions are significant in 99% certainty level. In other words, all of the hypotheses are verified. The fact that all correlation coefficients are positive indicates that all relationships are direct and

Employees' productivity increases as OC dimensions increase. Also results show that the highest correlation concerns taste difference toleration and performance feedback with correlation coefficient of 0.603 (hypothesis 5) and also the least correlation coefficient concerns with taste difference toleration and employees validity (0.293) for hypothesis 6. Table 3 summarizes the results of hypotheses tests.

Table 3: hypotheses test results

hypotheses	Correlation coefficient	result
H ₁ : there is significant relationship between management support and employees motivation of Iranian Narcotics Company.	.444	verified
H ₂ : there is significant relationship between management support and employees performance feedback of Iranian Narcotics Company.	.488	verified
H ₃ : there is significant relationship between management support and employees validity of Iranian Narcotics Company.	.404	verified
H ₄ : there is significant relationship between taste difference toleration and employees motivation of Iranian Narcotics Company.	.548	verified
H ₅ : there is significant relationship between taste difference toleration and employees performance feedback of Iranian Narcotics Company.	.603	verified
H ₆ : there is significant relationship between taste difference toleration and employees validity of Iranian Narcotics Company.	.293	verified
H ₇ : there is significant relationship between communications pattern and employees motivation of Iranian Narcotics Company.	.521	verified
H ₈ : there is significant relationship between communications pattern and employees performance feedback of Iranian Narcotics Company.	.563	verified
H ₉ : there is significant relationship between communications pattern and employees validity of Iranian Narcotics Company.	.459	verified

DISCUSSION AND CONCLUSION

The research targeted at investigating relationship between OC dimensions and HRP for Iranian Narcotics employees.

HRP dimensions were: management support, taste difference toleration and communications pattern and employees' motivation, performance feedback and employees validity were the HRP dimensions. Analysis indicated that all OC dimensions had positive, direct and significant relationship with employees' productivity and also taste difference dimension had the highest relationship with correlation coefficient of 0.603 with performance feedback and on the other hand, taste difference had the least relationship with employees' validity (0.293). It is recommended to the company's management to consider OC as an important factor in improving HR overall productivity. It is advised to develop informal relationships with employees so that they will have a good impression of management and friendly greetings, employees personal problems consideration will be useful. Also it is recommended that various and opposing viewpoints of employees be considered rationally and for improving productivity. Toleration, listening to and fair evaluation of opposing viewpoints can improve effectivity and trust and friendship morale.

It is also recommended to increase informal communications through friendly meetings and group trips due to increasing importance of organizational communications. It is necessary to open up communication channels ahead of employees' opinions and recommendations. To this end, at least recommendations box can be helpful and encouraging. Also management can disappear unreliability and overall hearsay atmosphere by offering clear and timely information to employees.

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