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EFFECTS OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL EFFECTIVENESS IN ISLAMIC AZAD UNIVERSITIES OF NORTHWEST OF IRAN

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ABSTRACT

This study examines the effects of organizational culture on organizational effectiveness in Islamic Azad Universities of Northwest of Iran. 75 academic members of physical education, voluntary filled out the Denison Organizational Culture (DOCS) and Hsu Organizational Effectiveness (OEQ). Statistical analysis of data (e.g. Pearson Correlation, Linear Regression and Multiple Regression) indicated that organizational culture has a significant positive influence on the organizational effectiveness. Only two indices of consistency and mission (organizational culture indices) have a significant positive influence on the organizational effectiveness. Also the results showed that organizational effectiveness has been affected 67.9% by organizational culture.

Keywords: *Organizational Culture, Organizational Effectiveness, Academic Members of Physical Education Faculties', Islamic Azad Universities of Northwest of Iran*

INTRODUCTION

In recent years, effectiveness has become a topic of growing interest in the field of human service organizations (Cho, 2007). Scientists and scholars believe that effectiveness is the key to all organizational analysis and so, many organizations have concentrated on building up the capabilities of its members to perform well in dynamic environments (Lewis *et al.*, 2009). Scholars of management define effectiveness as the extent to which an organization achieves its goals (Cameron, 1981; Scott, 1977). Chelladurai and Haggerty (1991) noted that organizational effectiveness referred to how smoothly, efficiently and goal-directed an organization's internal processes are. Scholars believe that various factors affect organizational effectiveness, including: organizational culture, leadership style and organizational structure. According to Lewis (2002) a universal definition of organizational culture has proven; elusive, however it is generally considered to be the shared values, beliefs and assumptions that exist among employees within an organization that help guide and coordinate behavior (Schein, 1991). Schneider stated that, organizational culture establishes the conditions for determining internal effectiveness. It determines whether performance is effective or ineffective and what effective and ineffective mean in the organization (Kwantes and Boglarsky, 2007). Several research results reported that organizations whose culture strengthens the employee participation in decision making, establish obvious and logical goals, adapt working methods and design for optimum work, perform at a higher level than organizations, which feature less of these factors. Likert (1961), and many researchers, have proposed that the type of positive, employee-focused management practices that are consistent with the values espoused by the group culture are likely to inspire employees to contribute more effort to their work, which should result in higher levels of organizational effectiveness (Gregory *et al.*, 2009). Theoretically, the relationship between organizational culture and effectiveness is strong. Schneider (1995) stated that organizational culture made the conditions for determining internal effectiveness. It determines whether performance is effective or ineffective, and what effective and ineffective mean in the organization. Given, therefore, that social culture affects schema development in the organizational context; the meaning of effectiveness in an organization may be affected by the social culture of an employee, and therefore, should be taken into account when examining employee perceptions of the link between organizational culture and effectiveness (Kwantes and Boglarsky, 2007).

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Effects of Organizational Culture on Organizational Effectiveness

The experimental evidence suggests that organizational culture as conceptualized by the competing values' framework influences an organization's effectiveness (Cameron and Freeman, 1991; Quinn and Spreitzer, 1991). The relationship between organizational culture and organizational effectiveness has been receiving more attention in recent years (Denison and Mishra, 1995; Dolan and Garcia, 2002). The results of Alnasser, Osborne and Steel (2013), naserinajafabady *et al.*, (2013), Danish *et al.*, (2012), Amah (2012), Faerman (2009), Denison *et al.*, (2007) and Kwantes and Boglarsky (2007) showed that there is a positive and significant relationship between organizational culture and effectiveness and the results of Sheikhalizadeh and Tojari (2013), Tojari, Sheikhalizadeh and Zarei (2011), Yilmaz and Ergun's (2008) indicated that organizational culture has a positive and significant effect on organizational effectiveness.

Denison and Mishra (1995) showed that organizational culture is a strong estimator for organizational effectiveness indices such as; job satisfaction, performance. Also the results of Denison, Haaland, and Goelzer's (2003) research stated that there is a significant relationship between all twelve organizational culture indices and overall organizational effectiveness in the three regions, North America and Europe, Mid-East, and Africa (EMEA), but there is no significant relationship in the Asia region. Denison *et al.*, (2007) research stated that there is a significant correlation between organizational culture and effectiveness.

Fey and Denison (2003) indicates that consistency and adaptability were found to be the prime drivers of effectiveness for Russian firms struggling in a transition economy, but for firms in the US, the mission trait appears to be the strongest determinant of effectiveness. The results of Coffey's (2003) research showed that adaptability, consistency and mission traits (based on organizational culture Denison's model) had a positive and significant relationship with organizational effectiveness, but there is no significant relationship between the involvement trait and organizational effectiveness. The results of Gregory *et al.*, (2009) research showed that organizational culture had a direct positive impact on people's satisfaction and had an indirect impact on organizational effectiveness via people's satisfaction. The results of Amah (2012) research showed that corporate culture has a significant positive relationship on the organizational effectiveness.

Adaptability positively relationship organizational profitability and Market share. There is no significant relationship between adaptability and organizational productivity. Shared mission, employee involvement, and shared values (consistency) are positively related to profitability, productivity and market share. Considering the literature review and above- mentioned studies, it turns out that some studies confirm the effect of organizational culture on effectiveness, and others reject it.

Thus, regarding the previous literature review, a theoretical model (base on Denison organizational culture and Hsu organizational effectiveness) has been specified for research variables, and the main purpose of this study has been to test a specified model (effect of organizational culture on organizational effectiveness).

MATERIALS AND METHODS

Methodology

Since the purpose of this research is surveying the effect of organizational culture on organizational effectiveness, the purpose of the research is practically-oriented. Considering the data collection method it is descriptive and considering correlation it is regression analysis.

Statistical Population

The population of the study consisted of academic members of physical education Faculties' of Islamic Azad Universities of Northwest of Iran (N=104).

Participation

The sample of the study was 104 academic members of physical education Faculties of Islamic Azad Universities of Northwest of Iran. Statistical sample is equal statistical population.

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Measures

Organizational Culture

The Denison Organization Culture Survey (DOCS) was used to measure respondents' perceptions of organizational culture. Organization Culture questionnaire included 60 items and four subscales; involvement (15 items), consistency (15 items), adaptability (15 items) and mission (15 items). Participants responded to a five point 1-5 Likert scale (strongly disagree = 1, disagree= 2, Neutral= 3, agree= 4, strongly agree= 5) answered questions. In research on 35474 people, Cronbach's alpha for the involvement trait (0.89), consistency (0.88), adaptability (0.87) and mission (0.92) and a CFI of 0.99 suggesting robust construct validity (Denison *et al.*, 2006).

Organizational Effectiveness

The Hsu Organizational Effectiveness Questionnaire (OEQ) was used to measure overall effectiveness and their indices. Organizational Effectiveness Questionnaire included 19 items and four subscales; decision making (five items), organization (five items), job satisfaction (six items) and personnel relationships (three items). Participants responded to a five point 1-5 Likert scale (strongly disagree= 1, disagree= 2, Neutral= 3, agree= 4, strongly agree= 5) answered questions. Organizational Effectiveness Questionnaire validity was approved by 10 Associate and Assistant Professors level degree in sports management. The reliability of the questionnaire in this study using Cronbach's alpha was calculated at 0.96.

Data Gathering Method

For gathering data, the questionnaires were given to the participants and then; the questionnaires were gathered after one month. In total, out of 104 distributed questionnaires, 75 questionnaires (72.12%) were completely filled out and returned. In this study, descriptive statistics were used in order to summarize and classify the data and to calculate the mean, frequency, standard deviation and to draw diagrams and tables, and to examine the effect between variables a linear and multiple regression analysis was used. To analyze data SPSS (version 16) with 95 percent confidence level was used.

RESULTS AND DISCUSSION

Results

The descriptive results of the data demonstrate that the male participants with 74.7 percents formed the highest frequency percentage. The highest age range of the participants was between 30-40 years equal to 78.6 percent. 62.7 percent of the participants held M.A degree.

Considering table 2, there is a significant (P<0.01) and positive relationship between organizational culture and organizational effectiveness. Also there is a significant (P<0.01) and positive relationship between organizational culture indices (Involvement, Consistency, Adaptability and Mission) and organizational effectiveness.

Table 2: Descriptive statistics for the variables used in the study (N= 75)

Variables	Mean	SD	1	2	3	4	5	6
1. Organizational Culture	3.04	0.373	(0.92) ^a					
2. involvement	2.95	0.450	0.861 ^{**}	(0.79)				
3. consistency	2.98	0.401	0.847 ^{**}	0.627 ^{**}	(0.75)			
4. adaptability	3.14	0.407	0.851 ^{**}	0.599 ^{**}	0.665 ^{**}	(0.73)		
5. mission	3.07	0.462	0.903 ^{**}	0.732 ^{**}	0.669 ^{**}	0.704 ^{**}	(0.82)	
6. Organizational Effectiveness	2.87	0.503	0.679 ^{**}	0.542 ^{**}	0.609 ^{**}	0.514 ^{**}	0.681 ^{**}	(0.91)

a. Reliability coefficient alphas in diagonal in parentheses; ^{**} p < 0.01

In order to analyze the effect of organizational culture on organizational effectiveness, Linear Regression was used. In this regression value of organizational effectiveness considering organizational culture was

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determined based on a linear equation. Considering the table 3, regression model is: organizational effectiveness= 0.916 (organizational culture) – 0.083. Considering table 2, organizational effectiveness has been affected 67.9% by organizational culture.

Table 2: Linear regression estimates for Organizational Culture and Organizational Effectiveness

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.679	0.461	0.453		0.37233

a. Predictors: (Constant), Organizational Culture

Table 3: Linear regression coefficients for Organizational Culture and Organizational Effectiveness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.083	0.355		0.234	0.815
	Organizational Culture	0.916	0.116	0.679	7.895	0.000

a. Dependent Variable: Organizational Effectiveness

Table 4: Multiple regressions estimates for Organizational Culture indices and Organizational Effectiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.712	0.507	0.479	0.36338

a. Predictors: (Constant), Involvement, Consistency, Adaptability, Mission

In order to analyze the effect of organizational culture indices on organizational effectiveness, Multiple Regression was used. In this regression value of organizational effectiveness considering organizational culture indices was determined based on a linear equation. Considering the table 4, organizational effectiveness has been affected 71.2% by organizational culture indices. In analyzing the level of significance of effect of organizational culture indices on organizational effectiveness it can be concluded that only consistency and mission were significant and positive.

Conclusion

The purpose of this research was to study the effect organizational culture on organizational effectiveness. The results indicated that organizational culture has a significant and positive effect on organizational effectiveness. Schneider (1995) stated that organizational culture makes the conditions for determining internal effectiveness. It determines whether performance is effective or ineffective, and what effective and ineffective mean in the organization (Kwantes and Boglarsky, 2007). Siehl and Martin (1990) suggest that culture influence employee attitudes and that those attitudes, in turn, impact organizational effectiveness (Gregory *et al.*, 2009). Schein noted that organizational culture influenced the behavior of organizational members, and so individuals behave in ways that are consistent with their values; therefore, the culture of an organization can create behavioral expectations in which the employees behave directly in ways that are consistent with their culture. This relationship between culture and behavior is the theoretical basis for the assertion that culture influences effectiveness (Gregory *et al.*, 2009). Overall we conclude that organizational culture acts as a system of social control and can influence employees' attitudes and behavior through the values and beliefs operating in an organization (MacIntosh and Doherty, 2010). The results of this study are consistent with the previous research conducted by Sheikhalizadeh and Tojari (2013), Tojari *et al.*, (2011), Yilmaz and Ergun's (2008).

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The result showed that organizational culture indices (involvement, consistency, adaptability and mission) have a significant and positive relationship on organizational effectiveness. Regression analysis of data indicated that only two indices of consistency and mission (organizational culture indices) have a significant positive influence on the organizational effectiveness. Involvement and adaptability didn't been a significant effect on organizational effectiveness. Organizations also tend to be effective because they have “strong” cultures that are highly consistent, well coordinated, and well integrated (Davenport, 1993; Saffold, 1988). Behavior is rooted in a set of core values, and leaders, and followers are skilled at reaching agreement even when there are diverse points of view (Block, 1991). This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity (Senge, 1990). In about relation culture and effectiveness mentioned that successful organizations had a clear sense of purpose and direction that defines organizational goals and strategic objectives and expresses a vision of how the organization will look in the future (1994; Hamel and Prahalad, 1994). When an organization's underlying mission changes, changes also occur in other aspects of the organization's culture (Fey and Denison, 2000). The results of this study (relationship between organizational culture indices and organizational effectiveness) are consistent with the previous research conducted by Amah (2012), Denison, Haaland, and Goelzer's (2003), Fey and Denison (2003) and Coffey's (2003).

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