Correlation between the Organizational Culture and Organizational Effectiveness (Case Study: Golestan Province Industry, Mine and Trade Organization)

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ABSTRACT: The main of the current research is surveying the correlation between the organizational culture and organizational effectiveness in Golestan province industry, mine and trade organization. Based on the type of aim this research is an applied research and based on the data collection method it is a descriptive-correlative research which has been conducted in 2012. Research methodology is field method and questionnaire is the tool for gathering the information. In this research Cameron and Quinn’s questionnaire (2006) is used for evaluating the organizational culture and Epstein’s questionnaire (1992) is used for evaluating the organizational effectiveness. The population includes 238 individuals and the sample size includes 143 individuals. SPSS18 software and Kolmogorov-Smirnov, Chi-square, Pearson’s correlation coefficient, and regression analysis tests are used for data analysis. This research includes one main hypothesis and six sub-hypotheses. The results of testing the main hypothesis showed that a positive and significant correlation exists between the organizational culture and the organizational effectiveness in Golestan province industry, mine and trade organization. Results of testing the sub-hypotheses also showed that a positive significant correlation exists between the components of organizational culture (Dominant features, organizational leadership, and Staff management, consistency of the organization, strategic emphases and measures of success) and organizational effectiveness. Also the results of regression estimation showed that organizational culture could explain 34% of the changes of the organizational effectiveness in the studied society. At the end a few applicable and research proposals are provided.

Keywords: Organizational culture, Organizational effectiveness, Golestan province industry, Mine and trade organization.

INTRODUCTION

Management experts and researchers believe that the measures of organizational culture and organizational effectiveness can be organized in the framework of multiple values and improvement of organizational culture in effective organizations lead to increase of the organizational effectiveness. The evaluating pattern of organizational effectiveness emphasizes on the measures of organizational culture having features such as consistency in analysis, combination of views, multiple criteria, and involving measures of organizational culture, being able to test the correlations between the measures, paying attention to the dynamic and fraternal nature of the organizations, comparing the studies and proper definition of effectiveness based on the organizational culture. In this pattern, the organizational effectiveness is achieving the priorities and multiple goals in the framework of shared value system (organizational culture) in a way that achieving the goals become optimum regarding the costs and time and to provide the priorities and satisfaction of the beneficiaries who make efforts toward achieving the goals (Hamidi, 2003). The organizational culture has entered the management literature since 1980’s. Culture is defined as a combination of shared values, shared mindset, certain behavior, and signs different. In order to be able to change the culture the first step will be creation of a clear image and proper understanding of the existing culture. This understanding should initiate with development of insight toward its origin. In some organizations the culture is developed by unplanned and unconscious methods. In this method, the values are never collected, the common assumptions are never discussed and they are considered as

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obvious matters. Certain behaviors are delivered to the other role pattern without making any pre-determined efforts for creating a behavioral patter (Daft, 2007).

Experts such as Goodman and Pennings believe that effectiveness is the main subject in all of the organizational analyses, and imagining an organization without the effectiveness structure is hard (Quinn and Rohrbaugh, 1983). Effectiveness is defined as an amount or extent that the organization realizes its goals. Numerous uncertainties exist in this definition that made the researchers’ surveys and managers’ use limited. An example of these uncertainties is that to whom these discussed goals in the definition of effectiveness belong? Are the long-term goals considered or the realistic goals? The organizational effectiveness is the degree or amount of an organization reaching to its goals (Daft, 2007). Understanding of the organization goals is one of the first steps that should be taken in understanding the effectiveness of each organization.

Effectiveness is the amount that the organization reaches its goals. This concept includes efficiency and productivity and sometimes it may be possible that while the organization has a high efficiency and productivity, it may not have effectiveness and not to be successful in realizing its goals. Effectiveness and efficiency of the organizational processes is an issue that if they are met, they guarantee the productivity of the organizations. The effectiveness of the organization depends on its productivity from its environment in order to provide valuable scarce resources. In fact, in order to keep the quality of effectiveness, the organization should act toward optimum use of the environmental resources as a part of the variables that can reduce the distance between the organization and its goals (Kharazmi, 2009). Peter Draker believes that we should evaluate the manager’s performance with two indicators or two criteria of effectiveness and efficiency. Effectiveness means being able to do the works properly. Draker thinks that between the two indicators, effectiveness is more important, because if false goals are chosen, with no amount of efficiency they can be compensated. As a matter of fact the effectiveness is related to the performance and providing the individual’s satisfaction from the made efforts and the efficiency is related to the proper utilization of the benefits. It is observable that efficiency has a small aspect but effectiveness has a qualitative aspect (Cameron, 2003).

Despite the centrality of effectiveness structure in the organizational theory, this concept is not properly developed or defined, and there are little settlements about the criteria being used for defining the organizational effectiveness. Nowadays the organizational culture and its dimensions as a factor having great effect on the behavior of the organization members, has become important and it is widely used in the studies related to the organizational behavior, thus it is possible to consider that as a strong factor in organization effectiveness (Amiran, 2004). One of the most controversial discussions in different societies especially in developing societies is culture. This word includes concepts that on one hand put deep influence on the individuals’ lives and societies and on the other hand each of them is influenced by the other one, and these concepts are the beliefs that each of them has a public character and they have relatively high acceptance in the society, acceptance of the beliefs is not always accompanied by scientific reasoning, and they are indirectly formed (Kharazmi, 2009). Organizational culture plays a main and important role in organizations, which means that it adapts itself with the surrounding conditions, and stimulates the staff for reaching the goals, it provides unity for the organization, and it keeps its legitimacy and acceptance in the society and environment.

Most of the experts believe that culture is not only a concept for explaining most of the organizational phenomena but also through it the organization leaders could create a more effective organization. Organizational culture determines the way of getting things done in the organization for the staff and it is an equal perception of the organization and existence of them are visible in all of the organization members and it shows the normal and fixed characteristics that distinct one organization from the other and it determines the social identity of each organization. In the conducted researches a direct and significant correlation has been observed between the organizational culture and the organizational effectiveness (Daft, 2007). Despite this, some of the experts believe that the organizational culture does not directly affect its effectiveness, (YamaniDozehSorkhabi and et al., 2001) and this effect happens through the revision of the behaviors of the organization members (Zheng, 2009). Previous researches have largely clarified the correlation between the organizational culture and effectiveness, and we will point some of them. Hunter (2002) stated that participation in decision making leads to the increase of effectiveness, efficiency, job satisfaction, and organizational commitment.

In a research, Fey and Denison (2003) concluded that the effect of self-management on the group effectiveness under the small levels of concentration and small levels of formality was more possible. In a study named surveying the correlation between the organizational culture and effectiveness, Zheng (2005) concluded that according to the correlation between the demands of environment and culture and also organization strategy, four types of organizational culture (compatibility culture, apostolic culture, participatory culture, and continuity culture) could be shaped. Zheng specified that a significant correlation exists between the organizational culture and the effectiveness. In a research named correlation between the organizational culture and effectiveness of school from the perspective of school principals and teachers of high schools of Shiraz city, Amerifar (2008) concluded that a significant correlation exists between the organizational culture and effectiveness.

All the management experts believe that the ability of staff in moving the organization toward the determined goals has an important role, but what occupies the researcher’s mind is that what kind of measures does the Golestan province industry, mine and trade organization will adopt and how does the organizational effectiveness will be followed? Organizational effectiveness is the main subject in the organizational theories and it is considered as one of
the evaluation criteria of organizational performance. In line with paying attention to the organizational change and performing the organizational improvement, the concept of organizational effectiveness is considered an important and strategic concept, based on this the organizational researchers manage to design micro and macro strategies for the organizational change. By analyzing the organizational effectiveness we could reach enhancement of the general quality of life in the organization, and this is considered as the main purpose of the organizational development. From the point of structure, the organizational effectiveness is a complex and multi dimension phenomenon. Managers and the people in charge of surveying and analyzing the organizational effectiveness should pay attention that they are facing with a complex and multi dimension phenomenon, and they should study it from different aspects. This is an important question that what kind of culture is effective on the organizational effectiveness, and its different dimensions should be surveyed more carefully. This research surveys the organizational culture and its correlation with effectiveness, and it uses the criteria of evaluating effectiveness which have been offered by Tackoot and Parsons for evaluating the effectiveness.

In this research the features of organizational culture are considered as the independent variables and the effectiveness is considered as the dependent variable. The concept of organizational culture is considered as an effective factor in performance and effectiveness of the organization. A good working culture that has been well extended among the management and the staff could lead to stabilization of organizational commitment, promotion of ethics, more efficient performance, and generally higher productivity. Achievements of the Japanese companies are considered as an evidence of the effect of participatory organizational cultures which are carefully nurtured and developed. Shared values among the management and the staff in such companies indicate the importance of sensitive aspects as the method for stimulating the staff toward reaching the goals. Although the subject of culture and its role in guidance of the societies have been at the center of attention of the sociologists since long time ago, the subject of organizational culture is a new perspective in the field of management knowledge, and in this research along with explaining the organizational culture and its different aspects we surveyed its correlation with the effectiveness in Golestan province industry, mine and trade organization. Some of the research results show that a significant relationship exists between the organizational culture and the organizational effectiveness, thus this research surveys the correlation between these two effective variables in the field of organizational behavior. In other words, this research is seeking the answer to this basic question that whether there is a significant correlation between the organizational culture and the effectiveness or not.

The aim of his study is to survey the correlation between the organizational culture and the organizational effectiveness. In order to survey the organizational culture, theoretical framework of Cameron and Quinn (2006) were used, people who considered the dimensions of organizational culture such as dominant features, organizational leadership, staff management, consistency of the organization, strategic emphases and staff success, and in order to survey the organizational effectiveness, Epstein’s theory (1992) was used, who considered the dimensions of organizational effectiveness such as improvement and promotion of society, services offered to the client, perception and satisfaction of the customers, and undesirable and negative results of organization services. Thus the current research model is as followed:

![Figure 1. Research conceptual model.](image)

**METHODOLOGY**

From the aim of research this research is an applied research. Also based on the method it is a descriptive correlative survey. The current research population includes all of the staff of Golestan province industry, mine and trade organization which totally includes 238 individuals. In order to calculate the sample size in the current research
the Krejcie and Morgan table is used, and based on this matter that the population size is 238 individuals, the sample size of 143 individuals was extracted, and based on this 143 questionnaires were distributed among the population. Also, for sampling in this research the simple random sampling was used. The main advantage of this method of sampling is low bias and high capability of generalization of the findings. For data collection both library and field methods are used in this research. Extensive studies have been taken place about the organizational culture topics and the organizational effectiveness by the help of the available resources such as Persian and Latin articles and books, theses and internet resources for data collection. In the current study the organizational effectiveness is evaluated based on the Epstein’s questionnaire (1992) with four components of improvement and promotion of the society, services offered to the client, perception and satisfaction of the customers and undesirable and negative results of organization services. Also 24-question questionnaire retrieved from definition of Cameron and Quinn (2006) is used for evaluating the organizational culture that considered the dominant features, organizational leadership, and staff management, consistency of the organization, strategic emphases, and success criteria as the dimensions and components of the organizational culture.

The amount of Cronbach’s alpha for both of the structures (organizational culture and organizational effectiveness) was more than 0.7 and it shows the desirability of the data collection tools (questionnaire). This point should be stated that both of the questionnaires of the current research are the standard questionnaires previously being used and validated in the country by the researchers. In the current research, for data analysis, and surveying the accuracy of the research hypotheses, by coordinating with the dear supervisor, advisor, and the statistical advisor, the descriptive analysis methods such as frequency distribution table, frequency, mean, and diagram and proper inferential analysis methods such as Spearman’s rank correlation coefficient, Chi-square, and Wilcoxon test were used and all of the calculations were conducted by the use of SPSS18 software.

RESULTS

Surveying the 143 received questionnaires from the examinees it was clarified that 78% of the examinees are male, and 22% of them are female. 84% of them are married and 16% of them are single. Nearly 60% of the respondents had bachelor degree or higher than bachelor degree. About 68% of the examinees were at the age range of 30-50. More than 58% of them had 5-20 years of work experience. Also the results of the Kolmogorov-Smirnov test showed that all of the variables and the subscales of the research are normally distributed, thus we can take advantage of parametric statistics.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pearson’s correlation coefficient</th>
<th>Sig.</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant features and organizational effectiveness</td>
<td>0.287</td>
<td>0.001</td>
<td>Research hypothesis confirmed</td>
</tr>
<tr>
<td>Organizational leadership and organizational effectiveness</td>
<td>0.410</td>
<td>0.000</td>
<td>Research hypothesis confirmed</td>
</tr>
<tr>
<td>Staff management and organizational effectiveness</td>
<td>0.358</td>
<td>0.000</td>
<td>Research hypothesis confirmed</td>
</tr>
<tr>
<td>Consistency of the organization and organizational effectiveness</td>
<td>0.360</td>
<td>0.000</td>
<td>Research hypothesis confirmed</td>
</tr>
<tr>
<td>Strategic emphases and the organizational effectiveness</td>
<td>0.286</td>
<td>0.001</td>
<td>Research hypothesis confirmed</td>
</tr>
<tr>
<td>Success criteria and organizational effectiveness</td>
<td>0.264</td>
<td>0.001</td>
<td>Research hypothesis confirmed</td>
</tr>
<tr>
<td>Organizational culture and organizational effectiveness (Research main hypothesis)</td>
<td>0.339</td>
<td>0.000</td>
<td>Research hypothesis confirmed</td>
</tr>
</tbody>
</table>

As it is observable in table 1, all the sub-hypotheses and the research main hypothesis are confirmed. In other words a positive and significant correlation exists between all of the subscales (dominant features, organizational leadership, staff management, consistency of the organization, strategic emphases and success criteria) and also variable of organizational culture with the organizational effectiveness in the Golestan province industry, mine and trade organization. The strongest correlative correlation belongs to the organizational leadership \((r=0.410)\) and the weakest one belongs to the success criteria \((r=0.264)\).
try, mine and trade organization. Also the organizational culture in high levels of organization. Effective organizations we
f management, consistency of the organization, strategic emphases and
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ional culture
han before, and provide the organizational should make effort in order to reduce the gap between them
enhancement of the organizational culture, it is suggested to study the barriers of enhancing the organizat
adaptability, compatibility, and mission with the organizational effectiveness. Also regarding the importance of
researchers who want to research in this field to evaluate the correlation of other
existence of a deep belief and faith toward the importance of the organ
and by the use of strong culture, create an organization and reaches the desired effectiveness. This act requires the existence of a deep belief and faith toward the importance of the organizational culture in high levels of organization management. Using the past experiences is considered as a great help for reaching this goal. It is suggested to the future researchers who want to research in this field to evaluate the correlation of other dimensions such as work engagement, adaptability, compatibility, and mission with the organizational effectiveness. Also regarding the importance of enhancement of the organizational culture, it is suggested to study the barriers of enhancing the organizational culture and its consequence which is lack of accessibility to the desired effectiveness in the governmental organizations.

DISCUSSION AND CONCLUSION

In this research the correlation between the organizational culture and the organizational effectiveness in Golestan province industry, mine and trade organization has been studied. The main aim of this research was searching the point that is there any significant correlation between the two above mentioned variables and their components or not. The research results showed that a positive and significant correlation exists between all of the subscales (Dominant features, organizational leadership, and Staff management, consistency of the organization, strategic emphases and measures of success) and also a positive and significant correlation exists between the variable of organizational culture and the organizational effectiveness in Golestan province industry, mine and trade organization. Also the organizational culture could explain 34% of the changes of the organizational effectiveness in the Golestan province industry, mine and trade organization. These results show that by improving the organizational culture in effective organizations we can improve the quality of products and services. The organizational effectiveness is considered as a central topic in the organizational theory, and institutes survey the amount of organizational effectiveness in their performance evaluations.

Similar to several previous researches, the current research findings indicate that a positive and significant correlation exists between the organizational culture and the organizational effectiveness. These results are consistent with the studies of Fey and Denison (2003), Guiskokwantes and et al (2007), Kim (2007), Hunter (2002), Zheng (2009) and Amerifar and et al (2008). Regarding the mentioned contents, it could be deduced that staff who go beyond their job duties when they want to help the others and follow the accepted policies of the organization help the improvement and enrichment of the general work environment, thus they have a positive effect of the whole organization, and this behavior will affect the partnership of the staff in the programs, and following that the organizational effectiveness will improve. So, according to this research results, Golestan province industry, mine and trade organization could improve the level of some of its components of organizational culture such as dominant features, consistency of the organization, strategic emphases, organizational leadership, staff management, and success criteria in order to enhance the organizational effectiveness. Regarding the obtained results, and due to the importance and effect of dimensions of organizational culture on the organizational effectiveness it is suggested that the managers pay more attention to the issue of organizational culture and administrating its dimensions in the organization more than before, and provide the field for increase of organizational effectiveness. Organizational culture should be dynamic and flexible in order to enable the organization to adapt itself with the changes of environment and survive in the market.

Thus regarding the existence of a positive and significant correlation between the organizational culture and the organizational effectiveness it is suggested to move toward the effective organization, along with detecting the organizational culture by the senior management of the organization, and the existing culture is compared with the desired organizational culture which is codified by the use of existing desired organizational patterns and according to the society values. Senior management of the organization should make effort in order to reduce the gap between them and by the use of strong culture, create an organization and reaches the desired effectiveness. This act requires the existence of a deep belief and faith toward the importance of the organizational culture in high levels of organization management. Using the past experiences is considered as a great help for reaching this goal. It is suggested to the future researchers who want to research in this field to evaluate the correlation of other dimensions such as work engagement, adaptability, compatibility, and mission with the organizational effectiveness. Also regarding the importance of enhancement of the organizational culture, it is suggested to study the barriers of enhancing the organizational culture and its consequence which is lack of accessibility to the desired effectiveness in the governmental organizations.

REFERENCES

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Table 2: Summary of regression estimation results.

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>R</th>
<th>R²</th>
<th>F</th>
<th>Sig.</th>
<th>B</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational culture</td>
<td>0.583</td>
<td>0.339</td>
<td>18.304</td>
<td>0.000</td>
<td>0.215</td>
<td>0.339</td>
<td>4.278</td>
<td>0.000</td>
</tr>
</tbody>
</table>