

The relationship between organizational culture and organizational success: A case study

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ABSTRACT

This study aims to study the relationship between organizational culture and organizational success in order to offer solutions for improving the performance and increasing the efficiency level of staffs. The statistical community of this research includes 1518 employees in organizations of Khorasan Razavi province. Sample volume is calculated through Morgan's formula. Stratified sampling is the selected sampling method of this research. The results shows that organizational culture affected the organizational success and increasing of organizational culture could lead to more organizational success. Also it could be applied in components of organizational culture. According to results, there is no significant relationship between stability and integrity culture and organizational success and between adaptability culture and organizational success in Welfare organization. Moreover, analysis indicates that participative culture had more effect on organizational success in comparison with other criteria and one unit change of participative culture leads to 0.365 of unit change in organizational culture. Finally, the study indicated that although mission culture had significant relationship with organizational success solely, but it had negligible role in organizational success in comparison with other components of organizational culture.

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1. Introduction

Considerable success in recent years with minimum resources on the one hand and the failure of organizations with better material ability on the other hand have indicated a significant role of spiritual and moral factors in their success; the organizational culture is considered as a factor affecting the performance of company (Nekuyi Moqaddam et al., 2012). Organization success in implementing strategy largely depends on strategy support by organizational culture. Organizations strive to become a knowledge-based organization will be successful if there are cultural traits needed in any organization. Knowledge can be created and shared effectively in organization when it is supported by organizational culture. (Nasiri-Pour et al., 2009).

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In this regard, this study attempts to clarify the relationship between organizational culture and organizational success (with elements of flexibility, consistency, speed and innovation) in Khorasan Razavi elected governmental organizations.

2. Statement of the problem

The organizations are faced with different challenges due to rapid changes in today's world, but the only organizations are successful that can use opportunities for their advantage using management tools and modern technologies. As the context and conditions change, behavioral norms and values must change in line with environmental conditions. According to Schein (2010), "organizational culture is a set of basic assumptions that people discover and create when faced with problems in order to adapt with environment and achieve national unity, and it is proven to be useful and valuable, as a result, it is transferred to new members as correct way of perceive, think and feel".

While organizational culture is a key factor for the success and realization of long-term objectives of organization. Unfortunately, fostering organizational culture in many organizations is not regarded as the most important task among managers. Recognizing the success of organization is important in both views of success rate and factors affecting success, in a world of rapid changes so that neglecting it results in rapid decline of organization. Given the current rapid development and the importance of organizational culture and its apparent effect on all functions and consequently the success of organization, researchers studying organizational culture and its impact on key elements of organizational success, have provided a conceptual model of relationship between organizational success and organizational culture and answer the question as follows,

Is there any significant relationship between organizational culture and organizational success of Khorasan Razavi offices (Khorasan Razavi County - Agriculture - Industry, Mine and Trade - Relief Committee - Welfare - urban Water and Wastewater- rural Water and Wastewater)?

Remarkable success in recent decades, with minimum possibilities on one hand and failure of organizations with material ability on the other hand, reflects the significant role of non-material and spiritual factors in success and organizational culture is considered as an effective factor in organizational performance.

Looking for new ideas and new research in management, organizational culture has become increasingly important and has formed one of the main topics and focus of management, so that many people consider organizational success and failure as a result of prevailing culture of organization. Therefore, in this study, we study the organizational culture using Denison Organizational Culture model, then, we examine the relationship between organizational culture and organizational success.

3. Literature

One of the main objectives of any organization is to achieve success. To achieve this goal, the way is to recourse to systemic, native and functional approach. Recent successes of organizations with minimum possibilities on one hand and failure of organizations with better material ability on the other hand, indicate a significant role of non-material and spiritual factors that organizational culture is considered as a factor in organizational performance (Nasiri Pur et al.; 2009).

3.1 Definitions of organizational culture

Organizational culture is the dominant pattern of behavior between people in an organization that is emerged based on the values, beliefs and habits of people and is supported by a majority of people and

is influenced by factors such as monitoring, control, communication, cooperation, conflict, cooperation, respect for social values and so on. (Ostad Hasanlu, 2011).

Louis (1980) defines organizational culture as a set of shared perceptions and understandings to organize actions where language and other symbolic formats are used to express the common understanding. Davis (1999) defined organizational culture as: "Organizational culture is the model of shared values and beliefs that gives meaning to members of an institution and provides orders for their behavior in organization". Peters and Waterman (1984) considered culture as a set of dominant and shared values with logical connection that are exchange by symbolic objects such as stories, legends, anecdotes and aphorisms (Aqel, 2004). Denison (2006) defines organizational culture as a function to determine the values, beliefs, assumptions and common practices that forms members' attitudes and behavior and then guides.

Some people believe that organizational culture is a pattern of basic assumptions to resolve issues related to compliance with external environment and internal development and they act so well that it is valid and then it is taught to new comers in a correct way to perceive, think and feel in relation to solve problems.

According to Hushmand Hamadany (2000), organizational culture is a common idea of organization members that distinguishes it from other organizations.

1. Culture reflects the organization's history,
2. it is related to study of anthropology such as customs and institutions,
3. it is formed by a group of people who form organization,
4. it has slow and hard movement,
5. it has difficult changes.

Organizational culture, is a set of values, beliefs, understanding and perception and way of thinking in which members of organization have common aspects (Daft, 2012). Organizational culture is a system of shared values, beliefs, habits of an organization that are known with formal structure of an organization to provide behavioral norms of interaction. (Seyed Javadin, 1999). Organizational culture is behavior pattern and beliefs, common attitudes and values that are shared by majority of members. Organizational culture can be observed in behavior, language, ideas and goals and procedures and rules and procedures of organization can be felt (Alwani, 2007: 50).

3.2 Organizational Success

Individuals and organizations always wish to be successful in performing their duties, but they have not obtained success in this area due to lack of awareness from success components. Various organizations are able to study various factors affecting success of organization and adapt various conditions and characteristics of organizations that have achieved success in many different fields, they consider key elements of organization success among effective factors and select main components of success due to the potential environmental and institutional abilities and limitations and guarantee their success through investment on these factors.

Rasti (1997) using comparative study on organizational culture of public and private schools, non-for-profit, during high and guidance courses concluded that there was a significant difference between public and private schools, as a result, manpower tends to be attracted and kept due to better organizational culture in non-profit schools and this factor influenced positively on motivation and effectiveness of human resources (Noruzi, 2004). Turabi Kia (1999) studied on relationship between organizational culture and job satisfaction of faculty members of Tehran University. The results showed that different criteria of organizational culture and masters were desirable. There was a significant

relationship between organizational culture and satisfied employees. This means that the more strength organizational culture will result in more satisfaction of people (Noruzi, 2004: 77-76). Among studies which their results can be used to measure the success of organizations is study by Oke and Kach (2012). Finally, Kazazi et al. (2006) stated there is a significant positive correlation between organizational culture and organizational success and its dimensions.

4. The research hypotheses

A) The main hypothesis:

There is a significant relationship between organizational culture and organizational success.

B) The sub- hypotheses:

1. There is a significant relationship between corporate culture and organizational success.
2. There is a significant relationship between the culture of stability and integration and organizational success.
3. There is a significant relationship between culture of flexibility and organizational success.
4. There is a significant relationship between culture of mission and organizational success.

5. Method

The main method of this research in terms of objective is applied and is descriptive in terms of nature and expresses the relationships of each variable using correlation method. Data collection method is also based on questionnaire and refers to documentation. Descriptive and inferential statistics are used due to sampling methods. Research community of study includes all 1518 employees working in departments of Khorasan Razavi who work in organs of Khorasan Razavi, Agriculture, Industry, Mining and Trade, Relief Committee, Welfare, Rural Water and Wastewater, Urban Water and Wastewater and Martyr and Veterans Affairs Foundation. In this study, Dennison standard questionnaire (Denison, 1996) was used in order to assess organizational culture based on theoretical framework and researcher-made questionnaire was used in order to measure the success of organization. Different software and statistical techniques were used to analyze the research findings. Random sampling was used for sampling. Since statistical population of study is determined and data scale is qualitative, the Cochran formula is used to determine the sample size. Sample size of 307 patients was randomly selected from statistical population. A sample was proportionally allocated to each department after determining sample size using stratified sampling.

In analyzing data obtained in this study, we tried to express better results through separating analyses based on assumptions, in this respect; we analyzed and summarized the results of research hypotheses by SPSS and EXCEL software.

T-test, Pearson correlation test and multiple regressions were used in this study in order to infer results of sample to population. Thus, t-student test was used in this study in order to determine the main parameters, organizational success and organizational culture, and Pearson correlation test was used to respond to questions and hypotheses. Finally, multiple linear regression was used to specify which components of organizational culture have stronger relationship with organizational success. These tests are parametric; therefore, normality of variables is one of the essential preconditions to be used in this test. This means that, in the case of non-normal variables, tests will lose their effectiveness and will not provide reliable results. Therefore, before using these methods, we must examine normality assumption. In the present study we use Kolmogorov-Smirnov test in order to investigate the parameters of normality.

6. Research model

According to theoretical research, this study is essentially based on ideas of Dennison (1996) as well as theoretical studies from which organizational success components are obtained. The following conceptual model that represents the relationship between types of organizational culture and success, has been designed and hypotheses have been developed on this basis.

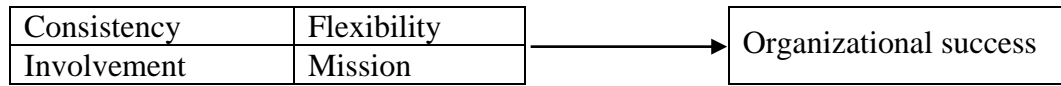


Fig. 1. Conceptual model

7. The results

According to Kolmogorov - Smirnov test results, it was found that probability values of normality test are more than 0.05 for each of two components of organizational culture and organizational success. Therefore, Pearson correlation test that is parametric test is used to investigate the relationship between these two components.

7.1 Evaluation of main hypothesis

The main hypothesis of this study is as follows:

“There is a significant relationship between organizational culture and organizational success.”

There is a significant linear relationship between organizational culture and organizational success in all departments based on probability values reported in Table 1. Correlation coefficients show that there was a strong and direct relationship between organizational culture and organizational success in all departments. This means that for each unit increase in organizational culture, organizational success will dramatically increase at every department. In general case, there is a significant linear relationship between organizational culture and organizational success. Pearson correlation coefficient value of 0.868 indicates that one unit change in organizational success will result in 0.868 changes in organizational success.

Table 1

Correlation test between organizational culture and organizational success in all departments of Khorasan Razavi

Departments	Cronbach alpha	Result
County	0.919**	Confirmed
Agriculture	0.838**	Confirmed
Industry, Mine and Trade	0.877**	Confirmed
Aid Committee	0.924**	Confirmed
Welfare	0.643**	Confirmed
Rural Water and Wastewater	0.859**	Confirmed
Urban Water and Wastewater	0.802**	Confirmed
Martyr and Veterans Foundation	0.861**	Confirmed
Total	0.868**	Confirmed

**Sig < 0.01

7.2 Studying Sub- hypotheses

First sub- hypothesis: “there is significant relationship between corporation culture, engagement in work, and organizational success”.

There is a significant relationship between organizational culture and organizational success in all departments based on probability values reported in Table 2. Correlation coefficients show that there was a strong and direct relationship between two components in all departments. This means that for each unit increase in corporation culture, organizational success will dramatically increase at every department and vice versa. In general case, the probability of 0.0001 shows that there is a significant linear relationship between corporation culture and organizational success. Pearson correlation coefficient value indicates that one unit change in corporation success will result in 0.847 changes in organizational success.

Table 2

Correlation test between corporation culture and organizational success in all departments of Khorasan Razavi

Departments	Cronbach alpha	Result
County	0.88**	Confirmed
Agriculture	0.831**	Confirmed
Industry, Mine and Trade	0.870**	Confirmed
Aid Committee	0.871**	Confirmed
Welfare	0.705**	Confirmed
Rural Water and Wastewater	0.810**	Confirmed
Urban Water and Wastewater	0.830**	Confirmed
Martyr and Veterans Foundation	0.795**	Confirmed
Total	0.847**	Confirmed

**Sig < 0.01

Second sub-hypothesis: “there is significant relationship between stability and consistency culture (consistency) and organizational success”.

There is significant relationship between stability and consistency culture and organizational success in all departments except welfare organization based on probability values reported in Table. Correlation coefficient higher than 0.7 show that there is strong and direct relationship between two components. This means that increase in stability and consistency culture will effect on organizational success. As mentioned, according to probability of 0.054 there is a significant linear relationship between stability and consistency culture and organizational success of welfare organization.

Table 3

Correlation test between corporation stability and consistency and organizational success in all departments of Khorasan Razavi

Departments	Cronbach alpha	Result
County	0.850**	Confirmed
Agriculture	0.779**	Confirmed
Industry, Mine and Trade	0.739**	Confirmed
Aid Committee	0.919**	Confirmed
Welfare	0.568**	Confirmed
Rural Water and Wastewater	0.789**	Confirmed
Urban Water and Wastewater	0.698**	Confirmed
Martyr and Veterans Foundation	0.886**	Confirmed
Total	0.812**	Confirmed

**Sig < 0.01

Third sub- hypothesis: “there is significant relationship between adaptability and organizational success”.

There is a significant relationship between adaptability culture and organizational success in all departments except welfare organization based on probability values reported in Table 3. Correlation coefficient higher than 0.7 show that there is a strong and positive relationship between two

components. In general case, there is a significant linear relationship between adaptability culture and organizational success. The correlation coefficient of 0.81 shows the relationship is direct and strong. In other words, a unit increase in adaptability culture will result in 0.81 increases of organizational success and vice versa.

Table 4

Correlation test between adaptability culture and organizational success in all departments of Khorasan Razavi

Departments	Cronbach alpha	Result
County	0.884**	Confirmed
Agriculture	0.758**	Confirmed
Industry, Mine and Trade	0.816**	Confirmed
Aid Committee	0.872**	Confirmed
Welfare	0.517	Not Confirmed
Rural Water and Wastewater	0.873**	Confirmed
Urban Water and Wastewater	0.783**	Confirmed
Martyr and Veterans Foundation	0.798**	Confirmed
Total	0.810**	Confirmed

**Sig < 0.01

We can see in Table 5 that probability values of correlation test for all departments are less than 0.05. So, we can say there is significant linear relationship between mission culture and organizational success of all departments. Correlation coefficients greater than 0.7 indicate there is strong and positive relationship between these two components. That is, increase in mission culture will effect dramatically on organizational success of all departments. In general, there is a significant linear relationship between mission culture and organizational success. ($P < 0.05$) The correlation coefficient shows that per one unit increase in mission culture, organizational success will increase 0.79 and vice versa.

Table 5

Correlation test between mission culture and organizational success in all departments of Khorasan Razavi

Departments	Cronbach alpha	Result
County	0.872**	Confirmed
Agriculture	0.725**	Confirmed
Industry, Mine and Trade	0.760**	Confirmed
Aid Committee	0.814**	Confirmed
Welfare	0.604*	Confirmed
Rural Water and Wastewater	0.846**	Confirmed
Urban Water and Wastewater	0.747**	Confirmed
Martyr and Veterans Foundation	0.808**	Confirmed
Total	0.790**	Confirmed

**Sig. < 0.01 *Sig. < 0.05

7.3 Comparative study of cultures effect on organizational success

However, a multiple linear regression is used in order to investigate the matter of which component of organizational culture will have greater effect on organizational success.

Table 6

Regression between organizational culture components and organizational success

	Regression coefficients	Standardized coefficients	T-statistics	Probability value (Sig.)
Corporation Culture	0.365	0.436	7.03	0.0001**
Integrity Culture	0.126	0.148	2.297	0.022*
Adaptability Culture	0.180	0.221	3.492	0.001**
Mission Culture	0.099	0.119	1.955	0.051

**Sig. < 0.01 *Sig. < 0.05

The correlation coefficient = 0.764 The coefficient of determination = 0.874

Probability values less than 0.05 shows component of corporation culture, integrity culture effect on organizational success at significance level of 5%. The probability value of 0.051 indicates that mission culture was not significant at significance level of five percent. This suggests that cultural mission had significant and direct correlation with organizational success (Refer to hypothesis four). However, in the presence of other components, organizational culture plays a minor role in organizational success. Positive regression coefficients indicate a direct relationship between components, this means that increase of organizational culture components will increase organizational success and vice versa. According to standardized coefficients values we conclude that corporation culture has a greater effect on organizational success compared with other components so that per one unit change, organizational success will change as 0.365.

The determination coefficient is equal to 0.874, that is, 87.4% of changes in organizational success can be explained by organizational culture components, this suggests the model power and the ability of components in relation to organizational success.

8. Conclusions

In summary, there is a significant positive relationship between organizational culture and success among workers of Khorasan Razavi departments, in other words, the main hypothesis has been accepted. The same holds for components of organizational culture. In simpler terms, each corporation cultures, stability, integrity, adaptability and mission play important roles in organizational success. Increase in each of these components will lead to an increase in organizational success. This means that success of these organizations will be increased through investment in organizational culture in terms of cognitive, structural and relational dimension. To put it more clearly, organizational culture as one of the key strength points of organization can create sustainable organizational advantage in comparison with other organizations. It should be noted that this did not hold for welfare organization. According to the results of welfare organization, there was not any significant linear relationship between stability and integrity culture and organizational success and between adaptability culture and organizational success at significance level of 5%. This suggests the lack of sensitivity possibility to changes and lack of flexibility in welfare organization. Then, effects of different aspects of organizational culture on success were examined using multiple linear regression method. Priority was accomplished using standardized coefficients. The corporation culture has more effect on organizational success compared with other components, so that per unit change, organizational success will change by 0.365 and this confirms research of Lim (1995) and Cameron and Quinn (2011).

According to analyzes of agriculture, welfare, industry, mining and Urban Water and Wastewater, corporation culture has maintained the greatest effect on organizational success and stability culture of Relief Committee and Martyr Foundation has had the highest level of influence. In addition, adaptability culture has maintained the greatest effect on organizational success of County and Rural Water and Wastewater organizations.

According to corporation culture effect on success of Agriculture, Welfare, Industry, Mining and Urban Water and Wastewater, it is recommended that organization continuously investigate on development of employees' skills in order to maintain competitive position and meet business needs. Some people believe we must collect information about performance, quality, competition and customers from all over the organization in order to strengthen corporation culture. We must attract business and the cooperation of those who work closely with clients through engaging them in decision-making. The organization plan must be based on team activities and works are accomplished in team through encouraging multiple skills, so that employees know how to do things in other environments and how they will work together and cooperate in order to create the desired values for customers. Team work and skills will be rewarded. Managers must focus strongly on different parts of setting goals, reviewing performance and obtaining feedback of goals that have obtained.

It is recommended that signs will be installed in different parts according to Denison proposal for Relief organizations and Welfare Committee, in order to develop understanding of staff related to cultural dimension of coordination and integration, and these points must always be considered and reviewed in decision making and performance review in case of vision and mission so that employees know how their performance will be in line with organization vision and mission. Dennison has also proposed that we must have special focus on activities based on understanding and depicting basic values in order to develop coordination and integration. As a result, basic values and skills must be developed and be considered as part of organization's competitive strategy. Promoting interaction between individuals and groups, increasing the number of people involved in solving problems and planning goals and generating new ideas must be encouraged

For Rural Water and Wastewater and County organizations, it is proposed that they spend time for daily study on their job duties in order to enhance individual capabilities as well as holding friendly meetings between staff and exchange experiences to guide to each other and develop more coherent knowledge. Knowledge of organizational culture is an important and fundamental step in order to identify and assess the behavior and performance of organization members. In fact, any change in organization will not be effective without adequate attention to corporation culture. Also, if managers are seeking to increase organizational productivity and performance, they must consider the factors of organizational culture (Rahim Nia & Alizade, 2009). In this research we have tried to test Denison Organizational Culture model in all organizations; according to theoretical frame and statistical techniques, the conclusion was that four dimensions of organizational culture including mission, adaptability, consistency and engaging in work would be dominant in these organizations and this evidence confirms Denison Organizational Culture model.

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