

## Investigate the Relationship between Organizational Culture and Human Resources Productivity (Case study: Arman Credit Institute)

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### Abstract

organizational culture cause the most fundamental changes in the organization and the existence of a strong and cohesive culture leading to increased motivation and Staff productivity and it will ultimately enhance organizational performance and consummate. The main issue of this study is to know how the organizational culture affects human resources productivity in the Arman credit institution. Research hypothesis has been tested based by two theories that are Robbins and ACHIEVE theory. Robbins theory is used to investigate the factors effect on organizational culture, which includes 10 indicators: corporate identity, risk-taking, goal clarity, organizational integration, support management, control, individual creativity, reward systems, conflict-taking, corporate communications. ACHIEVE theory is used to assess the Factors that effect on staff productivity. This theory includes 7 indicators that are Ability, Clarity, Help, Incentive, Evaluation, Validity and Environment. This research is an applied research, the research populations are all the employees of Arman credit and financial institution. Populations members are 260 member and sample size obtained 152 from Morgan table. Sampling method is Cluster method and we randomly sampled from these clusters. Two questionnaires were used to analyze research factors. Cronbach's alpha coefficient for organizational culture questionnaire is 0.892 and for human resources productivity questionnaire is 0.864. Content validity was confirmed by experts and construct validity was carried out by confirmatory factor analysis. Descriptive statistics and inferential statistics were used to investigate the research questions and mean test (t test) was used to check the status of variables and confirmatory factor analysis and path analysis and regression testing is used to test hypotheses. Results imply that there is a significant positive relationship between organizational culture and staff productivity and all components were verified and confirmed except environment, that show the strong influence of organizational culture on human resources productivity.

**Key words:** organizational culture, human resources productivity, ACHIEVE theory.

### Introduction

Organizational culture is the topic that recently found his way in the management and organizational behavior domain. Demographers, sociologists and psychologists and even economists have recently pay special attention to these new and important topics in management and created lots of researches in identifying the role and importance of these kinds of theories and using them to solve management problems (Dehghan, Salehi, 2008). A group of management scholars doing a study to show that the organizational culture is one of the most influential factors in developing countries in company, So many researchers believe that an important issue to the success of Japan's industry is the attention to the organizational culture (Yaddolahi, 2009). One of the main purposes of any kind of organization is improving its productivity and since human has a pivotal role in the development of productivity, his demands has key effects on the organizational performance. Productivity is defined as maximizing the use of resources, manpower and scientific measures to reduce costs and satisfying employee, managers and consumers (Dehghan, Salehi, 2008). Efforts to improve the efficient use of resources such as human resources , capital, materials, energy

and information, the aim of all economic organizations and managers of manufacturing firms and service firms (Taali, 2008). when a there was a strong and cohesive culture , staff gain more knowledge about the organization's goals according to the values and norms, sense of responsibility, commitment and create job satisfaction, and whole management was strong, it lead to increase motivation and productivity of employees And ultimately enhance organizational performance. The main issues of this study are that does organizational culture effects on human resources productivity in Arman credit institution? Therefore we intend to assess the relationship between organizational culture elements by the factors affecting the organizational efficiency that are Ability, Clarity, Help, Incentive, Evaluation, Validity and Environment.

### ***Necessity and importance of research***

The concept of Productivity is used mostly on economic issues and manufacturing because of desperately need of economic restructuring and efficient use of production factors. this severity of attention to this issues gives this mentality that efficiency is summarized only in economic issues while the man as an individual need the productivity culture more than Society economy. This mean that introduction of human resources productivity and economic production is the Cultural productivity of individuals and production factors, because these are the society people that make the community and the favorable society is combine of aware and good management of that community. On the other hand if members of the organization don't know the organizational culture, they can't gain consciousness of the nature and goals of the organization and thus don't learn how to behave and act well in the system. A strong and consistent organizational culture provides hidden patterns for behavior of employees in the organizations, subsequently; members gain awareness and commitment about mission and goals of the organization. Understanding the organizational culture and knowing about its shortcoming and problems by understanding this issues that each organization has its own culture, Is inevitable and trying to overcome these shortcomings and enhance the various aspects of personality and human development and health promotion office in the organization is necessary ( Amir-Shahi , 2006). However, given the importance of the impact of organizational culture on organizational productivity and employee efficiency, we examined this issue that is there any relationship between organizational culture and productivity of human resources? and that if there was, witch component of organizational culture have the greatest impact on human resources productivity?

### ***The purposes of study***

#### ***Main purpose***

The main purpose of this study is to investigate the relationship between organizational culture and human resources productivity in Arman credit institute.

#### ***Secondary purposes***

The secondary purposes are understanding the characteristics of organizational culture in Arman credit institute, understanding productivity in Arman credit institute and understanding the relationship between organizational culture and employee productivity in Arman credit institute

### ***Research Framework***

Research hypothesis has been tested based by two theories that are Robbins and ACHIEVE theory. Robbins theory is used to investigate the factors effect on organizational culture, which includes 10 indicators: corporate identity, risk-taking, goal clarity, organizational integration, support management, control, individual creativity, reward systems, conflict-taking, corporate communications. ACHIEVE theory is used to assess the Factors that effect on staff productivity. This theory includes 7 indicators that are Ability, Clarity, Help, Incentive, Evaluation, Validity and Environment.

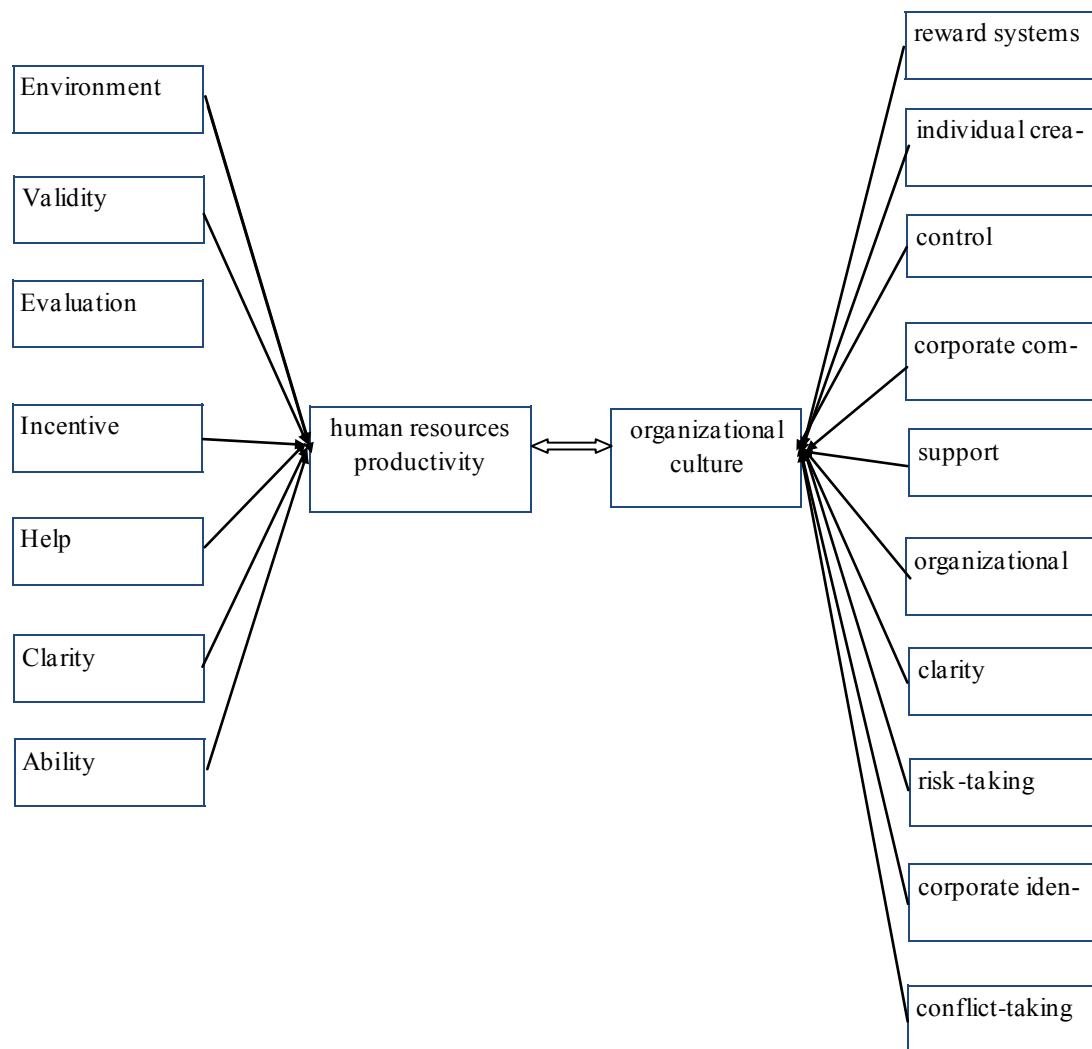


Figure1. Research Conceptual model

### Hypotheses

- There is a significant relationship between organizational culture and employee ability.
- There is a significant relationship between organizational culture and job clarity by staff.
- There is a significant relationship between organizational culture and organizational help.
- There is a significant relationship between organizational culture and employee incentive.
- There is a significant relationship between organizational culture and employee evaluation.
- There is a significant relationship between organizational culture and employee validity.
- There is a significant relationship between organizational culture and employees environmentally.

### Research Methodology

This research is an applied research, the research populations are all the employees of Arman credit and financial institution. Populations members are 260 member and sample size obtained 152 from Morgan table. Sampling method is Cluster method and we randomly sampled from these clusters. Two questionnaires were used to analyze research factors

### Validity of questionnaire

In order to examine validity of questionnaire, content validity and structural validity were used. In order to examine content validity, the questionnaire offered for supervisor and advisor and then their corrections and modifications were applied in the questionnaire. Also convenience of answering questions confirms its structural validity was carried out by confirmatory factor analysis.

### Reliability of questionnaire

In order to examine reliability of questionnaire, Cronbach's Alpha was used that Cronbach's alpha coefficient for organizational culture questionnaire is 0.892 and for human resources productivity questionnaire is 0.864.

Table 1. Reliability of the questionnaire

questionnaire	Cronbach's alpha	variable	Cronbach's alpha coefficient	dimensions	Cronbach's alpha coefficient
research	0.831	organizational culture	0.892	corporate identity	0.819
				risk-taking	0.868
				clarity	0.777
				integration	0.953
				support	0.819
				control	0.851
				individual creativity	0.773
				reward systems	0.948
				conflict-taking	0.852
				corporate communications	0.868
		human resources productivity	0.864	Ability	0.823
				Clarity	0.762
				Help	0.749
				Incentive	0.82
				Evaluation	0.961
				Validity	0.929
				Environment	0.74

By table (1) it can be say that Cronbach's alpha for all of the variables is confirmed.

### Investigate the research variables

To investigate the situation of each research variables was use sample mean test. The null hypothesis for all the research variables according to the Likert range is as follows:

Hypothesis testing:

$$\begin{cases} H_0: \mu = 3 \\ H_1: \mu \neq 3 \end{cases}$$

### The organizational culture variable statue

According to the scores obtained from the sample and sample T -test analysis, results is shown in Tables 2 and 3. It can be observed p-value or the Sig that is equal to 0.000 is smaller than  $\alpha = 0.05$ , so the null hypothesis that is the mean of organizational culture is equal to 3 has not been confirmed, The null hypothesis is rejected. Upper and downer limits are Positive that implies the mean of organizational culture is greater than number 3. The overall result can be explained in this way that the status of organizational culture according to the society mean of 3.665 at the target population level is relatively high. As indicated in the below table T statistic is equal to 15.078 that is greater than 1.96 and it is in the critical area of mean test.

Table 2. One sampling Statistics

	Number	mean	Standard deviation	Mean deviation error
organizational culture	152.000	3.665	0.544	0.044

Table 3. One sampling Test

Test value = 3						
	T	degrees of freedom	Significant coefficient	Mean difference	confidence degree 95%	
					Lower limit	Upper limit
organizational culture	15.078	151.000	0.000	0.665	0.578	0.752

### **The human resources productivity variable statue**

According to the scores obtained from the sample and sample T -test analysis, results is shown in Tables 4 and 5. It can be observed that p-value or the Sig that is equal to 0.000, is smaller than  $\alpha = 0.05$ , so the null hypothesis that is the mean of human resources productivity is equal to 3 has not been confirmed, The null hypothesis is rejected. Upper and downer limits are Positive that implies the mean of human resources productivity is greater than number 3. The overall result can be explained in this way that the status of human resources productivity according to the society mean of 3.317 at the target population level is relatively high. As indicated in the below table T statistic is equal to 5.338 that is greater than 1.96 and it is in the critical area of mean test.

Table 4. One sampling Statistics

	Number	mean	Standard deviation	Mean ddeviation error
human resources productivity	152.000	3.317	0.732	0.059

Table 5. One sampling Test

Test value = 3						
	T	degrees of freedom	Significant coefficient	Mean difference	confidence degree 95%	
					Lower limit	Upper limit
human resources productivity	5.338	151.000	0.000	0.317	0.200	0.434

### **Test research hypotheses**

Main hypotheses: organizational culture has a significant positive impact on human resources productivity.

Table 6. Path coefficients, t-statistics and the coefficient of determination (dependent variable: labor productivity)

statistic t	Path coefficient ( $\beta$ )	Predictive variable
7.11**	0.61	organizational culture

**\*\* p < 0.01   \* p < 0.05**

The main hypothesis of this study tests the influence of organizational culture on labor productivity. According to path coefficient that is 0.91 and T-statistics that is 7.11, it can be said that organizational culture at 99% confidence level has positive and significant impact on labor productivity, so the main hypothesis of the research is significant and is confirmed.

### **Secondary research hypotheses**

Sub-Hypothesis 1: There is a significant relationship between organizational culture and employee ability.

Table 7. Path coefficients, t-statistics and the coefficient of determination (dependent variable: labor productivity)

statistic t	Path coefficient ( $\beta$ )	Predictive variable
2.01*	0.14	organizational culture

**\*\* p < 0.01   \* p < 0.05**

The first sub-hypothesis of this study tests the influence of organizational culture on employee ability. According to path coefficient that is 0.14 and T-statistics that is 2.01, it can be said that organizational

culture at 99% confidence level has positive and significant impact on employee ability, so the first sub-hypothesis of the research is significant and is confirmed.

Sub-Hypothesis 2: There is a significant relationship between organizational culture and job clarity by staff.

Table 8. Path coefficients, t-statistics and the coefficient of determination (dependent variable: job clarity)

statistic t	Path coefficient ( $\beta$ )	Predictive variable
7.46**	0.56	organizational culture

**\*\* p < 0.01   \* p < 0.05**

The second sub-hypothesis of this study tests the influence of organizational culture on job clarity by staff. According to path coefficient that is 0.56 and T-statistics that is 7.46, it can be said that organizational culture at 99% confidence level has positive and significant impact on job clarity by staff, so the first sub-hypothesis of the research is significant and is confirmed.

Sub-Hypothesis 3: There is a significant relationship between organizational culture and organizational help.

Table 9. Path coefficients, t-statistics and the coefficient of determination (dependent variable: organizational help)

statistic t	Path coefficient ( $\beta$ )	Predictive variable
7.52**	0.59	organizational culture

**\*\* p < 0.01   \* p < 0.05**

The third sub-hypothesis of this study tests the influence of organizational culture on organizational help. According to path coefficient that is 0.59 and T-statistics that is 7.52, it can be said that organizational culture at 99% confidence level has positive and significant impact on organizational help, so the first sub-hypothesis of the research is significant and is confirmed.

Sub-Hypothesis 4: There is a significant relationship between organizational culture and employee incentive.

Table 10. Path coefficients, t-statistics and the coefficient of determination (dependent variable: employee incentive)

statistic t	Path coefficient ( $\beta$ )	Predictive variable
7.22**	0.53	organizational culture

**\*\* p < 0.01   \* p < 0.05**

The fourth sub-hypothesis of this study tests the influence of organizational culture on employee incentive. According to path coefficient that is 0.53 and T-statistics that is 7.22, it can be said that organizational culture at 99% confidence level has positive and significant impact on employee incentive, so the first sub-hypothesis of the research is significant and is confirmed.

Sub-Hypothesis 5: There is a significant relationship between organizational culture and employee evaluation.

Table 11. Path coefficients, t-statistics and the coefficient of determination (dependent variable: employee evaluation)

statistic t	Path coefficient ( $\beta$ )	Predictive variable
7.52**	0.62	organizational culture

**\*\* p < 0.01   \* p < 0.05**

The fifth sub-hypothesis of this study tests the influence of organizational culture on employee evaluation. According to path coefficient that is 0.62 and T-statistics that is 7.52, it can be said that organizational culture at 99% confidence level has positive and significant impact on employee evaluation, so the first sub-hypothesis of the research is significant and is confirmed.

Sub-Hypothesis 6: There is a significant relationship between organizational culture and employee validity.

Table 12. Path coefficients, t-statistics and the coefficient of determination (dependent variable: employee validity)

statistic t	Path coefficient ( $\beta$ )	Predictive variable
7.11**	0.47	organizational culture

**\*\* p < 0.01   \* p < 0.05**

The sixth sub-hypothesis of this study tests the influence of organizational culture on employee validity. According to path coefficient that is 0.47 and T-statistics that is 7.11, it can be said that organizational culture at 99% confidence level has positive and significant impact on employee validity, so the first sub-hypothesis of the research is significant and is confirmed.

Sub-Hypothesis 7: There is a significant relationship between organizational culture and employees environmentally.

By doing confirmatory factor analysis all components except employees environmentally has been confirmed so employees environmentally component was removed from the model, thus this hypothesis is rejected.

### Discussion and conclusion

The main objective and mission of the management and directors of each organization is effective and efficient use of various resources such as labor, capital, materials, energy and information. Efficient use of human resources in this mission (labor productivity) is important because unlike other resources, human has wisdom and discretion, and the manager cannot easily use of it. However, if the person is motivated and capable and efficient can be used of other resources efficiently and optimally and fulfill a variety of productivity and ultimate the productivity of manpower otherwise brought stagnation, backwardness, passivity and lack of motivation. Research about productivity and its effective factors in Iran country shows that low productivity index is the results of absence of cultural and attitude productivity rules in this country (Nazari, 2008). The results indicate that there is a positive and significant relationship between organizational culture and labor productivity, and the results of Seonghee and Harton and other studies in this area are consistent. This can be useful for managers and industry officials by making good infrastructure in this area to achieve optimal culture efficiency.

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