

The study of the Relationship between Organizational Culture and Employees' Productivity in IRI Central Bank

Mostafa Parsa Moghadam^{1,*}

¹PHD in State Management, Islamic Azad university of Kerman Unit, Iran

ABSTRACT

One of the issues that has recently been considered in knowledge of management, is organizational culture. Observing culture as an initial point of change is for fixing the development of identity, moral and spiritual value of our nation. The aim of present paper is investigation of relationship between organizational culture and employees' productivity of Central Bank. This is a kind of correlational study whose population is comprised of staffs of central bank of Islamic Republic Federation. To this end, 120 bank staff have been randomly chosen and tested by means of questionnaire in a descriptive study of survey type. The findings of this research have shown that there is a meaningful relationship between organizational culture and productivity.

KEYWORD

Organizational culture, productivity, manpower's productivity

INTRODUCTION

Most of the related studies to organizational culture which have been done in 1980, have changed scholars and principals' attitude toward organization and organizational culture analysis has turned into one of the most important specialties in field of "organizational culture." It has been concluded that organizational culture is not confined to scientific and academic centers, instead commercial, manufacturing and administrative institutes and services have shown interest in its enrichment. Human is a creature with diverse characteristics and numerous capabilities and it is due to this that environmental impacts on his behavior, mental and physical motives have unpredictable consequences, nevertheless, some findings have somehow identified humans' behavior in particular environment and defined the desired result with regards to their findings. Meanwhile one of the main parameters here

is organization culture and defines identity of values and people beliefs in an organizational environment [9]. Research and its administration is proposed as an important and fundamental issue in today's world and is truly different from what it has been under consideration in past decades and centuries. In the 21st century the main concern is research. It is through research that science and technology develop and these two are origin of power and wealth. New benefits are produced by science and technology which bring about wealth and welfare.

STATEMENT OF THE PROBLEM

Unfortunately, culture development has not been considered sufficiently in most of the organizations of our country as the most significant task of principals, while it is clearly evident that organizational culture affects all aspects of organization and there is no unaffected phenomenon by culture in organizations [1]. This is also considered as one of the influential variables on principals' productivity as well. Today the importance of productivity with regards to development of competition, complexity of technology, diverse tastes, lack of sources and the speed of information exchange is obvious to everyone. In addition, productivity and performance has the most valuable place to principals and everyone is looking for more performance and effectiveness and their efforts are formed to this end to guarantee organizational stability in this competitive world. Productivity is constantly seeks to ameliorate the present situation. In fact, it believes human can do a job each day better than yesterday. Moreover, productivity needs continual efforts for compliance of economic activities with constant changings of conditions; in fact productivity is firm faith to humans' development [6]. The present study has been done with the aim of investigation of relationship between organization culture and employees' productivity in Iran Central Bank. The obtained results can pave the way for important evolutions like making the ground for implementation of total quality management and performance upgrade. Additionally, principals can try on the elimination of probable defects through awareness of

*Corresponding Author: Mostafa Parsa Moghadam
E-mail r: Mostafa.parsa66@gmail.com
Telephone Number r: +989158409939

organizational culture of their organizations and will be prepared for successful changes.

SUBJECT LINES

A) Organizational Culture

Organizational culture highlights the way of conducting of affairs for employees in an organization; it is a similar realization of organization whose presence is visible in every member of organization and it is an indicator of common and fixed features which differs the organization from other ones. In other word, organizational culture specifies the social identity of every organization. Organizational culture is a set of beliefs, credence, and common values which affects the thought and behavior of members of an organization. To this end, beliefs and values are foundations and bases of organizational culture and it is these factors which give power to organization and make the basis of organizational philosophy for reaching efficiency and effectiveness [12].

B) Functionality of Organizational Culture

Culture performs different functions and roles in an organization. In order to find out how these functions are performed, we will briefly mention the important feature of these functionalities:

It gives organizational identity to members of an organization. What distinct a company is its ability in recruitment, development and maintenance of talented individuals.

It eases group's faithfulness. Basically, we can define commitment as a mental linkage of an individual or group to an organization in which a sense of occupational involvement, loyalty, and faith in organizational values is present. Since the reward of duty is higher than other common criteria and medial principals benefit from generous remuneration.

It encourages stability of social system since employees with assured feeling of job security will provide a space which is an uncommon future of ebullient faith to hardworking and acceptance of subtle monitoring for the organization.

Through helping the members, culture form them in order to realize the periphery situation. In this case, elitists will achieve full-time job and begin it from the lowest level and become familiar with fundamental principles in an organization by getting help from successful staffs.

Organization culture affects the duties and principal's functionality of an organization and by providing some limitations for the management, states that what a principle can do or not. The principal's function must be approved by organizational culture, otherwise it will not match values and will not be accepted from the side of most organizational members.

Culture is assumed as a control factor which causes the creation or formation of attitudes in employees' behaviors. So that an individual's competency and his congruence in an organization cause the congruency of the individual's

attitudes and behavior with organizational culture so that the person can join the organization. Culture helps organization to adapt itself to factors of external environment [2].

C) Definition and Conception of Productivity

The word "productivity" is commonly used in English. Its dictionary meaning is power, production, fertility, and being productive. Literally, it is an outcome of infinitive form and based on Moein lexicography the word means benefic and prosperous [5].

D) Effective Factors on Manpower's Productivity

According to complexity and unlimitedness of human's creativity, numerous factors affect his productivity whose most important ones are as follows:

- Motivation
- Relations of management and manpower
- Amelioration and training of manpower [8].

LITERATURE REVIEW

Pace and Stern (1985) in their studies have presented "Indices of University Features" as an instrument for evaluation of organizational cultures from the standpoints of students. This list is comprised of 300 questions about Essen University activities which some of them includes educational programs, the university and communities regulations, and alike. Their organizational culture will be specified after the analysis of the students' true or false answers. According to Oreilly, culture is an organization that determines how an individual should adapt himself with the organization, or how ideally communicate with it, since it made the person to feel comfort in that organizational atmosphere [11].

Kudyba's researches have led to this result that it is through suitable training, guidance, and asking for employees' participation that their skills will be developed and therefore the increase of organizational efficiency will be resulted [7].

Seonghee and Harton have also noted that the organizational efficiency will be increased by manpower's development and amelioration.

THEORETICAL FRAMEWORK

The current study seeks to shed light on this matter that regarding to different opinions how and in what approach bank managers can promote ideal organizational culture in related organizations in order to make efficiency and effectiveness in an organization for achieving productivity. To this end, the present research is trying to explain the relationship between organizational culture accompanied by its indices and bank employees' productivity of under-studied population in order to propose necessary solutions by making inferences of the project findings. In this study, the investigation of organizational culture has been used based on decathlon indices of Robins' model (Organizational identity, risk-taking, individual creativity, reward system, confliction, and organizational relations) [10].

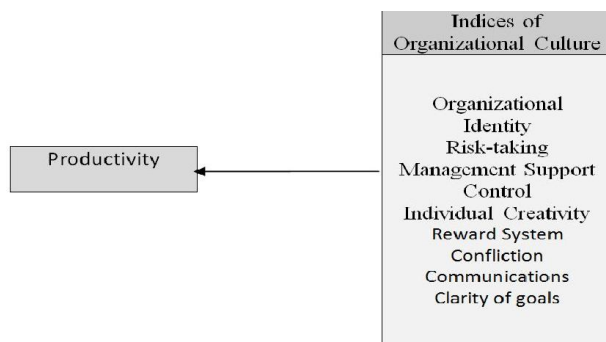


Figure 1. Research Model

METHOD

Purposely, the present study is a kind of developmental research. Since the aim of the research is knowledge development in field of organizational culture. From the point of administration method, the present research is a descriptive-correlation one and finally it is a field research from the point of method of data collection. The population of this study is comprised of staffs of Islamic Republic of Iran central bank. The data collection instrument has been a questionnaire which has been distributed and collected individually among employees, and among 120 sent questionnaires, 114 questionnaires have been returned, which have been finally analyzed and evaluated and formed the population of current research. The grading of questions has been based on Likert's five option scale, from the lowest to the most.

In order to increase validity following instruments have been used in this research:

- Using expertise' ideas
- Using expertise' judgment
- Study of the articles, books, and journals in which this questionnaire or the like has been used for.

To this end, in order to increase the validity of the research, the primary questionnaire has been available to expertise of this field, and the final questionnaire has been designed based on the mean of their ideas and corrections. Cronbach's Alpha coefficient has been used for specification of reliability of the questionnaire. In action, for calculation of Cronbach's Alpha, first a primary sample of the questionnaire which has been comprised of 30 questions has been distributed among employees of central bank, the pre-test has been conducted, and then the Cronbach's Alpha coefficient has been calculated by the obtained data. The amount of it has been more than 0.84 percent for all the questions which shows the reliability of the questionnaire. In this study, descriptive statistics has been used for summarizing, categorizing of the raw data and calculation of mean, frequency, standard deviation and drawing tables and Spearman Correlation has been used for the determination of relation among variables of research (organizational culture, organizational culture indices and productivity).

Findings and Results

The results of the research which have been obtained by means of Spearman Correlation, have shown that there is a meaningful relationship between organizational culture and employees' productivity of under-studied population.

Paying Attention to Table 1 information

Indices of Organizational Culture	Mean Score	Standard Deviation	Lowest	Highest	Spearman Correlation
Identity	9/89	3/85	5	15	0/34
Reward System	8/96	1/84	5	14	0/44
Risk-taking	10/11	2/01	5	13	0/321
Creativity	12/12	2/92	8	19	0/289
Clarity of Goals	13/63	3/14	7	17	0/409
Control	10/99	2/12	3	14	0/289
Cohesion	9/44	3/18	5	14	0/531
Communications	11/01	2/22	8	16	0/596
Conflicts	10/10	1/88	5	13	0/435
Support	10/33	3/31	4	16	0/457
Productivity	49/94	10/11	23	71	1

In Comparison to the Means Score of Indices of Organizational Culture it is clearly evident that the index of goals clarity with the mean score of 13.63 has the highest mean and index of reward system with mean score of 8.96 has the lowest mean among indices of organizational culture.

CONCLUSION

The result of the current study has shown that there is a positive and meaningful relationship between indices of organizational culture and employees' productivity. Therefore, we can conclude that according to this relation, the employees' productivity will be increased by making a change in a governing law of organization like providing a suitable environment for creative individuals, upgrading the awareness, and constant training of employees in field of the job value. It should be noted that managers play the most sensitive role for making an ideal organizational culture, since they have a fundamental role in formation of organizational culture.

SUGGESTIONS

As spatial and locational limitations do not let more expansion of a research domain, it is suggested that scholars pay heed to the following issues:

- Administration of the same research for other organizations except banks.
- A research on the effects of other indices on employees' productivity.

REFERENCES

- [1] *Aghaie Fishani, T., Creativity and Innovation in Humans and Organizations, Termeh Publication. First volume, 1377.*

- [2] **Azad, N., and Arshadi, A.,** Investigation of the Effect of Organizational Culture on the Perception of Support of Innovation. *Commercial Investigations*, No. 36, 1388, Pages 26-38.
- [3] **Honari, H.,** Design and explanation of Informational System Model and Manpower's Productivity System in Physical Education Organization of Selected Sport Federations and National Olympic Community. PhD dissertation. Humanity Faculty, Tarbiat Modarres University, 1382.
- [4] **Khaki, GH.,** Familiarity with Productivity Management, Sayeh-nama Publication, First Vol, 1378.
- [5] **Kudyba, S.,** Knowledge management: The art of enhancing productivity and innovation with the human resource in your organization, Published in DM Review, April, 2003.
- [6] **Oreilly, C.A.,** Corporations, Culture and Commitment: Motivation and social control in organizations. *Management California Review*, Vol 31, No 4, 1989, PP: 9-25.
- [7] **Mayor, F., and Agosto, F.,** Science and Power; Translated by Paridokht Vahidi, (former) PBO Publication, Center of Economic-Social Documents, Pages 10-41, 1377.
- [8] **Mousavi, S.A., and Moftakhar Mohseni, S.H.,** Manpower Productivity and Investigation of Effective Factors on its Upgrade and Amelioration, Special Administration Change, 1373.
- [9] **Pour-kazemi, M.H., and Shakeri Navaie, Gh.,** Investigation of Organizational Culture of Tehran Universities, Management Faculties, and Its Roles on the Productivity of Faculties. *Humanity Instructor quarterly. Special Management*, 1383.
- [10] **Robins, A.,** Organizational Culture Management, Translated by Seyed Mohammad A'rabi & Ali Parsaeyian, Samt Publication, 2003.
- [11] **Seonghee, Ch. H.,** Measuring the impact of human resource management practices on hospitality firm's performance, *International Hospitality Management*, Elsevier Ltd, 2006.
- [12] **Zareie Matin, H.,** Explanation of Organizational Culture Paradigm on the Basis of Islamic Values in Work Place and Its Role on Job Satisfaction. PhD Dissertation, Humanity Faculty, Tarbiat Modarres University, 1374.