Research Journal of Applied Sciences 10 (10): 531-535, 2015
ISSN: 1815-932X

Identify the Organizational Culture of Saderat Bank in Tehran and Determine its Relationship with Employees Performance

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Abstract: The aim of the present study is to identify the organizational culture of Saderat bank and its relationship with the employees' performance in Tehran City. The sample size consists of 365 bank employees working in bank branches. The research toolswere Organizational Culture Assessment Instrument (OCAI) developed by Quinn and Cameron and the Organizational Diagnosis Questionnaire (ODQ) developed by Weisbord. According to the results obtained there is a positive and meaningful relationship between the organizational culture and performance of bank employees. A closer survey reveals that there is a strong relationship between the mission culture and the employees' performance of the bank and therefore, this is the dominant culture in Saderat bank. The results further show that there is a relationship between the Flexible, Participative and Bureaucratic cultures with the performance of bank employees but with a lower intensity.

Key words: Employees, mission culture, bank, bureaucratic, performance

INTRODUCTION

Organizational culture often as an important factor in measuring organizational performance, refer to the values specified underlying assumptions, expectations, collective memories and meanings in an organization, ignored. Organizational culture states that what is in our domain.

Today, in many organizations including dynamic and changing organizations, the organizational culture phenomenon as leverage for achieving the performance and effectiveness should be considered (Denison *et al*., 2007). Many researchers, organizational culture as a source of competitive advantage are examined; it is considered a key factor in the success of today's organizations (Barney, 1986). Therefore, culture has different functions and roles in an organization. First, culture determines the organizational boundary, i.e., the organizations are separate. Second, a sense of identity is penetrated in members of the organization. Third, culture makes a commitment to what is existed in members more than one's self-interest and fourth, culture contributes to the stability and sustainability of the social system. Culture as a kind of social glue is one that can fit through standard presentation (in relation to what the members say or do), components connected to the organization and ultimately, culture as a control agent is one that creates or shape the attitudes and behavior of employees (Robbins, 2006).

Strong culture, increase employee involvement and increase the efficiency, effectiveness and ultimately, the performance of the organization. That is why it is necessary, in the field of culture to be more familiar with. In this study, the relationship between organizational culture and employee performance of Saderat bank branches in Tehran City will be measured.

Theoretical framework: In general, the performance assessment at the unit level and at the level of personnel and director is one of the main issues in management. Each director and officer of the organization or stakeholders wants to gain some information relative to the performance of units in comparison with other similar organizations and other competitors in the industry. This information can be useful to identify the weaknesses and strengths of the organization or the unit.

Specific and common features in organization play an important role in solving organizational and management problems. Organizations are made up of individuals who has his/her own character, although, a part of the personality shape in the environment, therefore, the personal and organizational culture have an undeniable effect on organizational performance as many researchers has already proved the effect of these features on the organizations.

The fundamental assumption of the various studies done on the strategies based on culture is that

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organizational culture has positive economic outcomes such as increased commitment and cooperation of employees, efficiency, improve job performance and facilitate better decisions.

Researchers are unanimous that the organizational culture and performance influence employee behavior (De Long and Fahey, 2000).

Today, some tools are available for measuring the organizational culture. In this study, the Competing Values Framework (CVF) by Quinn and Rohrbaugh (1983) was used as a base theory.

Indicated that this is a valuable frame work to study the corporate culture. This model describes organizational culture in terms of dimension value. The dimension values are: structural control vs. flexibility, internal interests vs. foreign interests and means vs. ends.

Pointing out to cultural features of any of four models in terms of competitive value, different researchers used different names to reflect the basic features of models. In many cases, these names have roots in known literature of organization theory. Classification of organizational culture in the form of tribal culture, the culture of democracy (for democracy), culture based on market and hierarchical culture is a reflection of concepts used in famous views and theories (Quinn and Rohrbaugh, 1983; Kim and Quinn, 1999) (Fig. 1).

Two main approaches exist in the performance measurement: objective and subjective. Both approaches have advantages and disadvantages of their own. Scale concrete is more real but in terms of scope, coverage is limited to financial data and do not explain other organizational aspects. On the other hand, mental scales are less realistic but provide rich descriptions of the effectiveness of the organization. These measures allow a wide range of organizations in different industries to compare with each other. Thus, the ability to generalized findings based on subjective measures is more. The scale of the subjective elements of perception-based on analysis which also covers has a special place in social science research. The question of which of these approaches should be considered in evaluating the performance of the organization and orientation will depend on the attitude of managers (Rahnavard, 2008).

The organization consists of various features including the features that have been raised by Weisbord are: purpose, structure, communication, rewards, leadership, helpful mechanisms and attitude to change which largely effect organizational performance are important.

In this study, the six-dimensional model of Weisbord was used to identify the organization performance. Weisbord's Model measures seven variables, the first six dimensions are Weisbord's while the latter provide employees attitude toward change for a consultant/facilitator. This model reflects a systematic approach for analyzing the relationships among variables that influence on the organization administration (Weisbord, 1976).

Open systems dimension type of culture: meritocratic, The dominant features: entrepreneurship, creativity, adaptability, The factor of organizational managing: entrepreneurship, flexibility, risk-taking, Strategic emphases: towards innovation, growth, new sources	Human relations dimension type of culture: tribal, The dominant features: solidarity, cooperation, teamwork, a sense of being a family, The factor of organizational managing: loyalty, tradition, the correlation between the individual, Strategic emphases: move towards the development of human resources, commitment, ethics
Logical target dimension type of culture: market (mission), The dominant feature: competition, goal achievement, distinction, The factor of organizational managing: aim-oriented, production, competition, Strategic emphases: the move towards competitive advantage and excellence in the market	Internal process dimension type of culture: hierarchical, The dominant features: grammar, mental activity based on rules and regulations, integrity The factor of organizational managing: rules, policies and procedures, Strategic emphases: move towards stability, predictability, flowing out

Fig. 1: The model of organizational culture

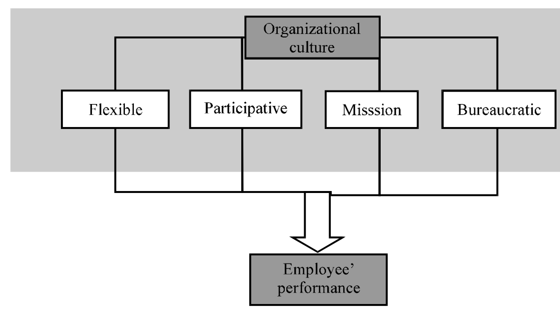

Fig. 2: Conceptual model

This model measures the informal aspect of system. It can also be useful for a consultant/facilitator in order to measure the formal aspects of the organization and examine the gap between the formal and informal aspects and can be used as a cognitive tool to improve organization or improve the capacity of business units to customer service (Moqhimi, 2001).

In this study, we examine the relationship between organizational culture as the independent variable and performance as dependent variables in Saderat bank branches in Tehran. Figure 2 shows the conceptual model.

MATERIALS AND METHODS

This study in terms of purpose is applied and in terms of collecting method and data analyzing is descriptive analytical and correlational. Theoretical base and background of research developed using library resources, databases and referring to specialists and experts. Accordingly, the pattern of organizational culture of Quinn and Cameron and six-dimensional model of Weisbord were selected as the theoretical base of this research. Statistical population consist of all employees in 35 branches of Saderat bank of Tehran in which 365 employees were selected as sample size. The research tools are the Organizational Culture Assessment Instrument (OCAI) developed by Quinn and Cameron and Organizational Diagnosis Questionnaire (ODQ) developed by Weisbord. According to the nature of data the stratified random sampling method was used. The reliability and validity of both questionnaires calculated above 0.94 and the probability level is 0.05.

RESULTS

Table 1 shows the cultural status and performance of all 35 branch of Saderat Bank of Tehran City. Firstly, questions for cultural status are identified then the mean score are calculated for them.

Table 1 shows that out of 35 branches, 15 branches have mission, 9 branches bureaucratic, 6 branches participative and 5 branches have flexible culture. Measurement of performance is based on a range of 1-5 and dividing it into three parts as strong, average and weak performance which shown in Table 2. Table 3 shows the cross tabulation table between organizational culture and employees' performance

By considering the above cross tab table and using Pearson χ^2-test, phi and cramer coefficient (Table 4), we can prove the kind of relationship exists between organizational culture and employee' performance

According to the Pearson correlation coefficient and phi and Cramer tests it can be concluded that there is a relationship between organizational culture and performance:

$$\chi^2 = 8.448;\ df = 1;\ p<0.01$$

Now by calculating the mean of cultures, the dominant culture for the Sadereat bank will be

Table 1: Cultural status and employees' performance

Branches	Performance	The score of flexible culture	The score of participative culture	The score of mission culture	The score of bureaucratic culture	Dominant culture
1	3.22	1.00	2.11	4.89	3.65	Mission
2	3.54	1.83	3.35	4.56	3.88	Mission
3	1.41	1.17	3.22	5.00	4.17	Mission
4	4.44	1.00	2.11	4.89	3.65	Mission
5	4.56	1.83	3.35	3.88	4.56	Bureaucratic
6	3.90	1.17	3.22	3.40	4.32	Bureaucratic
7	3.98	1.17	4.33	4.66	3.67	Mission
8	4.56	1.83	3.33	4.17	3.17	Mission
9	4.43	1.33	4.00	3.21	4.76	Bureaucratic
10	4.21	1.67	4.67	4.17	3.00	Participative
11	4.43	1.00	2.11	4.89	3.65	Mission
12	4.22	4.56	3.35	3.80	3.88	Flexible
13	4.31	1.17	3.22	5.00	4.17	Mission
14	4.11	1.83	4.67	4.33	3.34	Participative
15	2.90	2.00	4.92	3.87	3.33	Participative
16	3.78	2.00	3.33	4.86	3.17	Mission
17	2.22	3.20	2.11	1.34	2.22	Flexible
18	3.09	1.83	3.35	4.83	3.88	Mission
19	2.56	4.43	3.22	2.23	2.45	Flexible
20	2.05	4.67	3.32	3.78	2.83	Flexible
21	1.81	3.43	2.21	1.98	2.56	Flexible
22	2.88	3.44	4.67	3.25	2.45	Participative
23	1.67	1.90	4.92	2.43	3.33	Participative
24	4.00	1.00	2.11	4.40	3.65	Mission
25	4.32	1.83	3.35	4.56	3.88	Mission
26	4.93	1.17	3.22	4.76	4.17	Mission
27	4.65	3.28	3.35	4.51	3.88	Mission
28	4.23	1.17	3.22	4.29	4.17	Mission
29	1.56	1.83	4.79	4.33	3.34	Participative
30	3.07	2.00	3.22	3.87	4.91	Bureaucratic
31	3.54	1.83	1.65	2.54	4.56	Bureaucratic
32	3.40	1.00	2.11	3.53	4.67	Bureaucratic
33	4.22	1.83	1.56	2.11	3.88	Bureaucratic
34	1.21	1.17	3.22	3.21	4.17	Bureaucratic
35	1.23	2.00	3.33	4.00	4.33	Bureaucratic
Total	69.57	114.22	135.53	129.70	118.64	Total

Table 2: The strong, weak and average performance

Performance	Average
Strong	3.67-5.00
Average	2.33-3.67
Weak	1.00-2.33

Table 3: The cross tabulation table between organizational culture and employees' performance

	Culture				
Performance	Bureaucratic	Mission	Participative	Flexible	Total
Strong	4	11	2	1	18
Average	3	3	2	1	9
Weak	2	1	2	3	8
Total	9	15	6	5	35

Table 4: Cross table of Chi-square for organizational culture and employees' performance

Variables	Values	df	Asymp. sig. (2-tailed)
Pearson Chi-square	8.448	6	0.00
Likelihood ratio	8.322	6	0.00
Linear by linear association	2.798	1	0.00
No. of valid cases	35.000	-	-

Table 5: Average rating of organizational culture

Cultures	Mean
Bureaucratic	3.705
Mission	3.872
Participative	3.263
Flexible	1.987

determined (Table 5). The result shows that the dominant culture of Saderat bank in Tehran City is mission culture.

Test of hypothesis

- H_1: there is a significant relationship between bureaucratic culture and employees' performance

Table 6 shows that there is significant and meaningful relationship between the bureaucratic culture and employees' performance.

- H_2: there is a significant relationship between mission culture and employees' performance

Table 7 shows that there is a meaningful and significant relationship between mission culture and organizational performance.

- H_3: there is a significant relationship between participative culture and employees' performance

Table 8 shows that there is a meaningful and significant relationship between participative culture and employees' performance.

- H_4: there is a significant relationship between flexible culture and employees' performance

Table 6: Spearman correlation coefficient for the first hypothesis

Parameters	Bureaucratic culture	Employees' performance
Bureaucratic culture		
Correlation coefficient	0.62	0.0001
Two tailed statistic	0.001	0
No	365	365
Employees' performance		
Correlation coefficient	0.0001	0.62
Two tailed statistic	0.0001	0
No	365	365

Table 7: Spearman correlation coefficient for the second hypothesis

Parameters	Mission culture	Employees' performance
Mission culture		
Correlation coefficient	0.92	0.0001
Two tailed statistic	0.001	0
No	365	365
Employees' performance		
Correlation coefficient	0.0001	0.92
Two tailed statistic	0	0.0001
No	365	365

Table 8: Spearman correlation coefficient for the third hypothesis

Parameters	Participative culture	Employees' performance
Participative culture		
Correlation coefficient	0.028	0.0001
Two tailed statistic	0.009	0
No	365	365
Employees' performance		
Correlation coefficient	0.0001	0.028
Two tailed statistic	0	0.0009
No	365	365

Table 9: Spearman correlation coefficient for the fourth hypothesis

Parameters	Flexible culture	Employees' performance
Flexible culture		
Correlation coefficient	0.19	0.0001
Two tailed statistic	0.007	0
No	365	365
Employees' performance		
Correlation coefficient	0.0001	0.19
Two tailed statistic	0	0.0007
No	365	365

Table 9 shows that there is a meaningful and significant relationship between flexible culture and employees' performance.

DISCUSSION

Based on the correlation test, correlation ratio for each of the cultures shown on Fig. 3. Research results indicate that there is a positive relationship between organizational culture and employees' performance. More accurately the study shows that there is a strong relationship between mission culture and the employees' performance and as well this culture is the dominant culture in Saderat bank of Tehran.

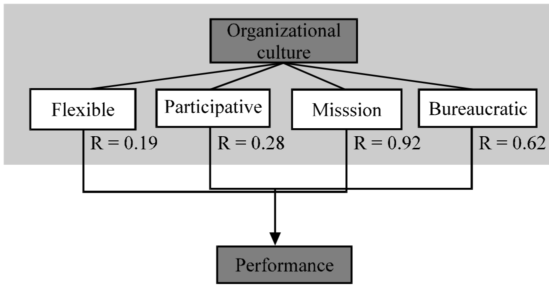

Fig. 3: Correlation ratio foreach culture

CONCLUSION

In this study, in addition to determining the relationship between the dimensions of organizational culture with performance, the effects of each of the components of organizational culture with employees' performance were also determined.

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