

The Influence of Organizational Culture on Organizational Performance: An Exploratory Study in the Middle Eastern Higher Education Sector

Hamza Ali Mohammad Alshatnawi

Faculty of Economic & Management science
University Sultan Zainal Abidin, Malaysia
amsh282@yahoo.com

Dr. Mazuri Binti Abd Ghani

Faculty of Economic & Management science
University Sultan Zainal Abidin, Malaysia
mazuri@unisza.edu.my

Abstract

This study was an endeavor to discover the connection between the organizational culture and its impact on organizational performance. The example of this exploratory study was taken from private universities situated at different geographic areas of Amman, Jordan. The model was tried on a sample of 120 of faculty members through self-administration of a questionnaire survey. The outcome from Regression and correlation examination built up a decent connection between organizational culture and organizational performance.

Keywords: *Organizational Culture, Organizational Performance, Higher Education.*

organizational objective accomplishment. At the point when culture is emphatically trailed by the vast majority of the workers, it might expand the adequacy of individuals and the organization itself. The real working of culture in the organization can be obvious during the time, to time organization process and qualities, practices of employees (Byles, Aupperle, and Arogyaswamy, 1991). Byles et al. (1991) said that culture is viewed as an essential part that influences the administration conduct and basic leadership process until its execution. Culture and performance frequently go as an inseparable unit and more often than not, this connection demonstrate positive outcomes. Culture impacts organizations performance and growth (Wang and Abdul-Rahman, 2010). The level at which culture is trailed by employee's shows displays strongly the culture is in terms of adaptability.

Relatively every organization has its own particular extraordinary culture yet the flexibility of the way of life as per the circumstance isn't a simple errand. It is troublesome for relatively every organization to modify their way of life since workers are utilized to such a situation where they create themselves to perform at their ideal level also, any adjustment in the culture won't promptly be acknowledged by the employees. Same is the situation with the education sector that it is hard

1. Background of Study

The test of globalization has influenced various organizations around the globe. The capacity to create and maintain an organizational culture basic for execution isn't just essential however imperative quality for organizations. Organizational culture is characterized as the states of mind, convictions, a method for getting things done (Burnes, 2004). Then again, organizational culture is characterized as the arrangement of shared suppositions, qualities, and convictions that represents how an association connects both with internal and external environments (Stafford and Miles, 2013). These mutual qualities affect internal organizational on-screen characters communicate with others within the environment. Hofstede and Hofstede (2010) set that organizational culture is one of a kind in various organizations in view of various parameters, for example, accomplishment, decency, cooperation, collaboration, aggressiveness, and tenets among others.

Organization culture is a thought that tells how employees work and what are the standards that are to be trailed by each person. Culture is said to be an arrangement of solid convictions that when these convictions are acknowledged and embraced, it prompts to

Contribution of Study

The past studies suggest that the researchers in the future can conduct research on organizational culture and its impact on organizational performance, specifically in developing countries (Wei, Ming-Lang, & Kim, 2014). Furthermore, the contribution of this study is filling this gap.

2. Literature Review

Tripathi et al. (2000) noticed that a survey of the appropriate literature uncovered a large number of the unviewed questions, few of them show up as an establishment for the current study, and the amendment of those unexamined inquiries would likely include to the exploration hand. The organizational culture alongside with organizational performance is of significance in the organizational studies; however the issue looked by researchers has backed off the procedure of research (Anne, N., & Lumwagi, 2014). The factors under thought in this study were recognized as independent and dependent variables. The independent variable is a strong organizational culture (Ng'ang'a & Nyongesa, 2012). The dependent variable is organizational performance (Saffold, 1988).

Organizational Culture

Culture as a manipulative variable can enhance organization effectiveness (Wang and Abdul-Rahman, 2010). Chih et al. (2011) guaranteed that culture could be the gathering of thoughts and presumptions about organizations tasks. Strong organizational culture shapes the life expectancy of employees so that they can form themselves as per the way of culture. Thus, the organizational performance will be upgraded (Saffold, 1988). As per Tripathi et al. (2000), organizational culture might be comprehended in a few different ways, be that as it may, relatively few researchers attempt and confirm this idea observationally. Culture either strong or weak it has a strong effect on organizations overall performance, in any case, in a strong culture, employees are attempting to possess own organizational goal while, in powerless culture, employees are being utilized by their individual goals (Saffold, 1988 & Oduol, 2015).

A strong culture has been tended to as having an immediate association with organizational performance (Saffold, 1988 & Roxx, 2011). In a strong culture employee are

to change the beforehand culture for management. It will likewise be troublesome for teachers and understudies to acknowledge that change effortlessly. Presently the organization needs to think before modifying the culture, it isn't constantly vital that any change will be accepted by the employees; in this manner, culture ought to be modified so that nearly everybody inside the organization fit themselves in this change and plays out their best to make viability and progress. Such a cultural change ought to be presented in the educational institutions that can be adjusted effortlessly and can lead that educational institution towards expanded performance.

Statement of the Problem

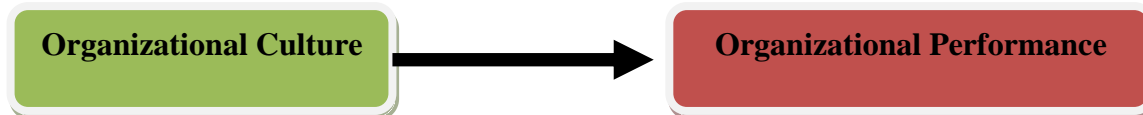
As organizations receive real changes in accordance with the manner in which they execute their commands or capacities, employees are constrained to change their perspectives and the manner in which they carry on. New changes acquire new technologies, better approaches for getting things done, new management structures, once in a while a sentiment of nonappearance of data, dread of the obscure (danger of excess), floats in productivity levels in either bearing and changes in certainty on the organization. While these changes reflect moves in the way of the culture of any organization, it is contended that a culture change if not all around oversaw can once in a while prompt high employees' turnovers (Stafford and Miles, 2013).

While organizational change and culture are unequivocally interlaced, its association with organizational performance has gotten a great deal of research interest (see, for example, Berry, 2013). Be that as it may, more than 95 percent of these studies concentrated on developed countries. Very little research is promptly accessible for developing countries (Farashahi et al., 2005). Moreover, very little research has been done on organizational culture as a logical factor of performance management (Magee, 2002). While it has been perceived that culture is the main source of contrast in performance management practices (Ahmad, 2012), a few researchers (e.g., Denison, 2000) have, actually, suggested an examination of the wonder of organizational culture in various cultural especially in non-western developing countries. This study tries to decide the connection between organizational culture and organizational performance in higher education in Jordan.

that organizational performance is influenced by organizational culture (Heck and Marcoulides, 1993 & Al-Matari et al, 2014). Researchers have affirmed that positive cultural qualities upgrade performance in the extent of the intensity of their demonstration (Saffold, 1988). Past confirmation demonstrates that if organizational directors assign a lot of their opportunity, assets and nature of their work toward organizational culture then they can acquire a more elevated amount of profitability (Heck and Marcoulides, 1993 & Al-Matari et al, 2014). Organizational achievement or disappointment can be anticipated by observing organizational culture since very much oversaw organizational culture causes the accomplishment of the organization (Oparanma, 2010). Byles et al. (1991) said that lone the performance of those organizations will expand which have a strong culture in their organizations.

Study Framework

In this research subject, the dependent variable is organizational performance although the independent variable is an organizational culture (Heck and Marcoulides, 1993).



Organizational Performance: This dependent variable shows the degree to which organizational performance is required to rely upon organizational culture. The Cronbach's alpha value for ten items was under 0.7. Subsequent to performing factor analysis four items were evacuated. Six items measure this variable and are taken from a performance appraisal questionnaire from samplequestionnaire.com. The Cronbach's alpha for the six items for this variable is 0.711.

Organizational Culture: This independent variable shows the degree to which individuals in the organization adjust their culture and tail it. Five items measure this variable and are taken from implementer.com. The Cronbach's alpha for five items for this variable is 0.723.

more dedicated and thus organizational performance increased (Denison and Mishra, 1995). Heck and Marcoulides (1993) and Oparanma (2010) claims that organizational culture has a vital part in the efficiency and effectiveness of an organization and furthermore expands the growth level (Yilmaz & Ergun, 2008).

Organizational Performance

The influential, persevering part culture plays in deciding organizational life adds to guess that cultural components can be combined with phenomenal levels of organizational performance (Saffold, 1988 & James, 2010). The performance level of any organization is expanded when that organization has a well-managed oversaw, all around characterized and sreong culture (Heck and Marcoulides, 1993). Researchers have concurred that the level of well managed and strong culture is related to the level of performance of an organization (Emmanuel and Lloyd, 2000 & Al-Swidi & Mahmood, 2011). The connection between organizational culture and organizational performance resembles cause-impact relationship implying

"Strong, intense cultures have been hailed as keys to enhance performance" (Saffold, 1988). The more the coordination in cultural values the more will be the efficiency of the organization that will, thus, builds the organization performance (Saffold, 1988). Tripathi et al. (2000) said that strong culture is connected with the viability of the organization which implies that the working state of the organization will increase adequacy which results in increased performance.

Study Hypothesis

- There is a significant Relationship between organizational culture and organizational performance.

3. Measurement of the Variables

Table 1. Reliabilities

Num	Variable	Cronbach's Alpha	Number of Items
1.	Organizational Performance	0.711	6

2.	Organizational Culture	0.723	5
----	------------------------	-------	---

come back with 76% reaction rate. Every one of the surveys was filled appropriately and respondents distinguished the effect of culture on their organizational performances.

Descriptive Analysis on the variables

200 sets of questionnaires were distributed and 120 questionnaires were received in a usable form. All variables were measured on a five (5) internal scale. As reflected in table:

Table 1.1 Descriptive Analyses

Variables	Mean	SD
Organizational Performance	3.6634	.72546
Organizational Culture	3.5424	.73029

Regression Analysis

To test the hypothesis, a simple regression analysis was performed on the organizational culture and organizational performance. Table 2 demonstrates the correlation coefficient and a significance level of the variables.

Table 3. Summary of Regression Analysis

Num	Variables	Beta	Correlations	Sig.
1.	Organizational Culture	.434	.527	0.000
2.	Organizational Performance	.561	.853	0.000

Additionally, the independent variable fundamentally connects and impact with the dependent variable, and hence affirming the significant relationship between the variables. The analysis recommends absence of multicollinearity in this study in light of the fact that the relationship coefficient is under 0.80.

Data Collection

The survey is utilized as the main data collection tool to measure the variables of interest. The target population is faculty members of private universities in Amman, Jordan. The total numbers of faculty members at private universities are 4234. Principle focal point of research is the professors and lecturers of private universities in Amman. 200 surveys were sent through emails just 120 have

Table 2 introduces the multiple regression coefficients (B) independent variables to the organizational performance as the independent variable. The organizational culture as independent variable is significant ($p < .05$). As far as beta values, the outcomes demonstrate that organizational culture variable has a positive relationship and measurably critical at $p < .05$.

4. Recommendations

In perspective of the findings of the study and the advancement and change of educational services, the researcher suggests the accompanying; a) This study depends on the education sector, moreover these outcomes can be utilized for corporate sector, b) In future research, the number of variables can be changed for better outcomes, and c) In future research, moderating or mediating variables can be acquainted with considering the effect on variables.

References

1. Ahmad, M. S. (2012). Impact of organizational culture on performance management practices in Pakistan. *Business Intelligence Journal*, 5(1), 50-55.
2. Al-Matari, E. M., Al-Swidi, A. K., & Bt Fadzil, F. H. (2014). The Measurements of Firm Performance's Dimensions. *Asian Journal of Finance & Accounting*, 6 (1).
3. Al-Swidi, A. K., & Mahmood, R. (2011). How does Organizational Culture Shape the Relationship between Entrepreneurial Orientation and the Organizational Performance of Banks? *European Journal of Social Sciences*, 20 (1), 28-46.

4. Anne, N., & Lumwagi, N. (2014). Effects of Organisational Culture on Employee Performance in Non- Governmental Organizations. *International Journal of Scientific and Research Publication*, Vol 4, Issue 11, Pg. 72-86.
5. Berry, D. (2013). The importance of executive leadership in creating a post merged organisational culture conducive to effective performance management; *SA Journal of Human Resource Management*. Vol. 3, No. 1, Pg. 47-76.
6. Burnes, B. (2004). *Managing change: A strategic approach to organizational dynamics*. New York, NY: *Pearson Education*.
7. Byles, C. M., Aupperle, K. E., & Arogyaswamy, B. (1991). Organizational Culture And Performance. *Journal of Managerial Issues*, 3 (4), 512-527.
8. Chih, W. H., Huang, L. C., & Yang, T. J. (2011). Organizational culture and performance: The mediating roles of innovation capacity. *African Journal of Business Management*, 5 (21), 8500-8510.
9. Denison, D. R., & Mishra, A. K. (1995). Toward a Theory of Organizational Culture and Effectiveness. *Organization Science*, 6 (2), 204-223.
10. Denison, D.R. (2000). Organizational culture: Can it be a key lever for driving organizational change. *The international handbook of organizational culture and climate*, Vol. 18, No. 4, Pg. 347-372.
11. Emmanuel, O., & Lloyd, C. H. (2000). Leadership style, organizational culture and performance: empirical evidence from UK companies. *Int. J. of Human Resource Management*, 11 (4), 766-788.
12. Farashahi, M., H., & R., M. (2005). Institutionalized norms of conducting research and social realities: a research synthesis of empirical works from 1983 to 2002. *Internal Journal of Management Review*, Vol 16, No. 4, Pg. 1-24.
13. Hofstede, G., & Hofstede, G. J. (2010). *Cultures and Organizations. Third edition*. New York, NY: McGraw-Hill USA.
14. James, L. (2010). What is Organizational Performance. Retrieved from Pitcher Partners Growth: <http://www.growth.pitcher.com.au/resources/articles/author/louise-james>.
15. Magee. (2002). The impact of organizational culture on the implementation of performance management (Doctoral dissertation). Available from *Dissertations and Theses database* (UMI No. 3047909).
16. Marcoulides, & Heck. (1993). Organizational culture and performance: Proposing and testing a model. *Organization Science*, Vol. 4, No. 2, Pg. 209-225.
17. Ogbonna, & Harris. (2000). Leadership style, organizational culture and performance: Empirical evidence from UK companies. . *International Journal of Human Resources Management*, 11(4), 766-788.
18. Ojo, O. (2009). Impact Assessment of Corporate Culture on Employee Job Performance. *Business Intelligence Journal*, 2 (2), 388-397.
19. Oparanma, A. O. (2010). The Organizational Culture and Corporate Performance in Nigeria. *International Journal of African Studies* (3), 34-40.
20. Saffold, G. S. (1988). Culture Traits, Strength, and Organizational Performance: Moving beyond "Strong" Culture. *The Academy of Management*, 13 (4), 546 558.
21. Stafford, D., & Miles, L. (2013). *Integrating cultures after a merger*. Bain M&A (documento de trabajo).
22. Tripathi, S., Kapoor, A., & Tripathi, N. (2000). Organizational Culture and Organizational Commitment. *Indian Journal of Industrial Relations*, 36 (1), 24-40.
23. Wang, C., & Abdul-Rahman, H. (2010). Decoding organizational culture: A study of Malaysian construction firms. *African Journal of Business Management*, 4 (10), 1985-1989.
24. Wei, P. W., Ming-Lang, T., & Kim, H. T. (2014). A business process management capabilities perspective on. *Total Quality Management & Business*, 25 (6), 602-617.