Relationship Between Organizational Culture and Organizational Innovativeness in Private Universities in Iran

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Abstract: The aim of this study was to examine the association between organizational culture and organizational innovativeness in private universities in Iran using survey method. A sample of 485 full time faculty members was selected based on simple one stage cluster sampling. The findings indicated that significant positive relationships were found between three types of organizational culture and organizational innovativeness. They were; the adhocracy, the market and the clan cultures respectively. However, the hierarchy culture showed a non-significant correlation with organizational innovativeness. In addition, the adhocracy culture contributed most to predicting organizational innovativeness. This study once more demonstrated that each organization has its own organizational culture. It is proposed to identify and develop the appropriate organizational culture which makes it possible for the administrators, academic members and students to engage in innovative activities.

Key words: Organizational Culture Types · Innovative Activities · Competing Values Framework · Pars Province · Iran

INTRODUCTION

Technological progress, rising of expectations, students' population variation, beneficiaries' demands for responsibility and new instruments and providing public educational materials are of the current issues that make innovation necessary in higher education [1]. It is clear that educational institutes should revise the traditional methods of their activities and use new methods of their technologies to enable the organization to survive in the present and future time [2].

Organizational innovativeness could be seen as the deliberate use of procedures, products, processes and ideas inside a group or organization to the intended unit of adoption which is supposed to be significantly beneficial for the person, the group, organization or wider society [3]. To achieve the organizational innovativeness, a significant attention should be paid to organizational culture [4, 5, 6, 7]. The culture of the organization is a set of shared values that support organizational members to understand the organizational functions and thus guides their thinking and behavior in the organization [8].

In the past two decades, the organizational culture in higher educational institutions has been examined by such researchers as Cameron and Quinn (2006). They made a framework for the organizational culture. Its theoretical basis was "competing values framework". The mentioned model is useful when making a profile for the culture of an organization. Generally speaking, this profile includes four types of cultures, namely clan, adhocracy, market and hierarchy. The clan focuses on the events happening inside the organization with a sense of flexibility; it pays attention to people and customers. The focus of adhocracy culture is on the external shapes with much concentration on individuality and flexibility. The market focuses on the outside stance. In this culture, control and stability are of significant values. The fourth culture type is the hierarchy. It concerns the internal maintenance with special attention to control and stability [9].

However, review of the literature indicates that organizational innovativeness is associated by many organizational and environmental factors [4, 5, 10-12]; this study was focused on the organizational culture as one of

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the factors that can facilitate organizational innovation to promote scientific, professional and managing capabilities of the universities.

Aim and Questions of the Study: The aim of this study was to explore the relationship between organizational culture and organizational innovativeness in the private universities in Iran as perceived by the faculty members. This study pursued the following questions:

- Is there any significance relationship between organizational culture types and organizational innovativeness in the private universities as perceived by the faculty members?
- Which type of organizational culture is the best predictor of organizational innovativeness in the private universities as perceived by the faculty members?

MATERIALS AND METHODS

The study used survey method. The sampling procedure was simple one-stage cluster sampling. It was a plan in which the five private universities were selected within Pars province of Iran by simple random sampling. Then the whole full time faculty members within these five universities were included in the sample. The total number of lecturers in the selected five universities was 485 persons in the academic year 2011-2012. To avoid the risk of participation, the sample size in the current study was higher than the number suggested by Cochran's (1977) formula.

For measuring organizational culture, the organizational culture assessment instrument (OCAI) developed by Cameron and Quinn (2006) was utilized. Using OCAI the respondents were supposed to answer 24 questions based on a five point Likert scale between strongly disagree and strongly agree. Another study tool was a 17- item organizational innovativeness questionnaire developed based on review of the literature. The frequency of each innovation activity's implementation in the last three years was evaluated by the Likert scale from 1 (rarely) to 5 (very frequently) by the responders.

Furthermore, the English version of research tool was translated in to Parsi based on Adler's guidelines (1983). After the confirmation of face and content validity of Parsi version of questionnaire by some Iranian experts, the Cronbach's Alpha was calculated to measure the internal

Table 1: Reliability Estimates for the Organizational Culture Types and Organizational Innovativeness from the Pilot Test (N = 50)

Variable	Number of items	Cronbach's Alpha
Clan culture	6	.715
Adhocracy culture	6	.775
Market culture	6	.763
Hierarchy culture	6	.750
Organizational innovativeness	17	.864
Total items	41	

Table 2: Means, Standard Deviations and Correlations for Organizational Innovativeness and Predictor Variables (N=369)

Variable	M	SD	1	2	3	4
Organizational innovativeness	3.103	.616	.704*	.772*	.710*	.091
Predictor variables						
1.Clan culture	3.051	.616				
2. Adhocracy culture	2.960	.743				
3. Market culture	3.006	.688				
4. Hierarchy culture	2.300	.434				

*P < .001

consistency of the instrument based on the 50 participants via SPSS software that is shown in the Table 1. The alpha for all variables indicates the values from acceptable to good internal consistency according to George and Mallery's (2003) rules of thumb.

For the purpose of data collection, the participants received the questionnaires in person in their colleges, classes and offices. The 369 faculty members were the actual respondents for the current study that were equivalent to a response rate of 76%.

Findings: To explore the answer to research questions, a multiple regression was conducted to determine the best linear combination of four cultural types, for predicting organizational innovativeness. The means, standard deviations and correlations can be found in Table 2. Refer to guidelines from Cohen (1988), there were strong positive relationships (r > .70) between the three types of organizational culture namely adhocracy (r = .772), market (r = .710) and clan (r = .704) with organizational innovativeness. However, the correlation between hierarchy culture and organizational innovativeness was no significant (r =.091, P = .041).

Moreover, the combination of variables significantly predicted organizational innovativeness, $F_{(4,364)} = 195.166$, p < .0001, with three variables significantly contributing to the model. The R squared value was .682, indicating that 68.2 percent of the variance of the organizational innovativeness can be accounted for by the model. This would be considered a large amount of shared variance in Cohen's (1988) terms.

Table 3: Simultaneous Multiple Regression Analysis Summary for Organizational Culture Types Predicting Organizational Innovativeness (N= 369)

Variable	B	SEB	β
Clan culture	.251	.049	.251*
Adhocracy culture	.406	.035	.489*
Market culture	.161	.046	.180*
Hierarchy culture	-.007	.042	-.005
Constant	.666	.128	

Notes: R = .826; R^2 = .682; Adj. R^2 = .679
*P < .001

The beta weights, presented in Table 3, suggest that adhocracy culture (β = .489) contributes most to predicting organizational innovativeness, after that clan culture (β = .251) and market culture (β = .180) also contribute to this prediction. However, the hierarchy culture does not predict the organizational innovativeness (β = -.005, P = .860). According to B weights, the regression equation is as follows:

Organizational innovativeness = .251 Clan culture + .406 Adhocracy culture + .161 Market culture - .007 Hierarchy culture + .666.

DISCUSSION

The findings of this study are in agreement with the other researches, which argue that the adhocracy culture type encourages functioning values for innovation [6, 9, 12, 17, 18]. The adhocracy culture as highlighted by the OCAI questionnaire attempted to describe the entrepreneurial, creativity and dynamism required of an ideal workplace [9]. Organizations with entrepreneurial orientations accept new ways of doing things such as new people, new ideas, as well as new ways of communications, etc. [19]. Innovation however takes place in organizations that contextually create an enabling environment that encourage and reward innovation [7]. Thus, the outcome is expected to ascertain the correlation between adhocracy culture and higher organizational innovativeness.

The results of this study also indicated a positive relationship between clan culture and organizational innovativeness. The clan culture type has as it features; teamwork, individual commitment, as well as focused leadership considered as the key drivers [9]. Due to the positive relationship between group cohesiveness and the ability of the organization's management to ensure equilibrium between the commitment of innovation team members to the innovation and to the overall organization [7], the correlation between clan culture and organizational innovativeness was anticipated.

Thirdly, market culture was found to be positively related to organizational innovativeness. The market culture here is determined by the organization's competitiveness and achievement of tangible goals and objectives [9]. Organizations do not operate in isolation; they are faced with stiff competitions, which in turn compel them to be up to date in terms of technology, resources and strength to address continuously changing local and international conditions [20]. Thus, the positive correlation between market culture and organizational innovativeness is no surprise.

Finally, the hierarchy type of culture is characterized by a well-defined organizational structure and regulated workplace environment. It is predicated on continuous and stable organizational environment [9]. In the words of Mintzberg (1979), "in the professional bureaucratic organizations, the individual experts may be highly innovative within a specialist domain, but the difficulties of coordination across functions and disciplines impose severe limits on the innovative capability of the organization as a whole" [21]. Bureaucracy thrives more in stable environments, however bureaucratic organizations lack innovations and are therefore not capable of coping with diversities and pressures [22]. Thus, the non-correlation that was found between hierarchy type of culture and organizational innovativeness in private universities in Iran was an expected outcome.

CONCLUSION

The findings of the study demonstrated the importance of organizational culture toward improving organizational innovativeness in the private universities in Iran. The findings revealed the strong positive links among adhocracy, market and clan cultures with organizational innovativeness. Further, the results indicated that the adhocracy culture was the best predictor for the organizational innovativeness. However, the clan and the market cultures also significantly contributed to this prediction. Totally, 68% of variation in the organizational innovativeness was explained by mentioned three culture types. Another outcome of this study proved that hierarchy culture was not a significant predictor of organizational innovativeness.

In general, this study will provide senior administrators and policy makers in the universities with a broader knowledge and understanding of the various organizational culture types found in their universities

and help them to adapt and improve them to achieve a higher level of innovativeness. It will in addition, prepare them to confront the challenges that will be posed by increasing demands of students and other stakeholders alike in the twenty-first century.

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