Organizational culture and effective management: problems and challenges

Hossein Shabani [1], Masoud Pourkiani [1*], Sanjar Salajegheh [1], Saeed Sayadi [1], Hojat Babaei [2]

[1] Department of Management, Kerman Branch, Islamic Azad University, Kerman, Iran.
[2] Department of Mathematics, Kerman Branch, Islamic Azad University, Kerman, Iran.
Corresponding author and reprints: Masoud Pourkiani, Assistant Professor, Department of Management, Kerman Branch, Islamic Azad University, Kerman, Iran.
Email: pourkiani@iauk.ac.ir

Abstract

Background: Managers are always trying to reduce the costs while improving the quality and efficiency of services. Thus, the aim of present study was to evaluate the status of organizational culture and to investigate the problems and challenges, to provide a developed and effective model of management.

Methods: This research was a descriptive cross-sectional survey. The sample size was 344 clerks who were selected by stratified random sampling. A researcher-made questionnaire was used to collect data. The organizational culture questionnaire was designed in 9 factors and 42 sub-dimensions. The face and content validities of the questions were confirmed. To analyze the data, univariate t-test was used in SPSS software and structural equation modeling was used in AMOS software.

Results: According to the results, the mean of organizational culture variable was above average (3) and was at the desired level (p-value <0.05). The status of identifying challenges and problems in the study population was measured below the average level. The results showed that more challenges and problems were identified by improving the implementation of organizational culture (0.486). Organizational culture also indirectly affects organizational effectiveness by identifying challenges and problems (0.214).

Conclusion: based on our finding, the mediating effect of identifying challenges and problems on the relationship between organizational culture and identifying challenges and problems was confirmed.

Introduction

Organizational effectiveness is the most important goal of any organization and all organizational efforts are made to achieve it. Thinkers in the area of hospital leadership and management believe that several factors, including organizational, environmental, and individual, factors are related to the effectiveness of the organization. In this regard, management characteristics of the manager can play a major role in increasing or decreasing organizational effectiveness.

Also, creativity of hospital staff is an important factor in the effectiveness of the organization (1).

Different sections are considered in measuring the effectiveness of the organization. This measurement can be investigated in different ways. In the goal-based method, the organization receives its needed resources from the environment, turns them into products, and returns them to the environment. In the goal-based method, production goals should be identified and the level of aching the researcher's goals is measured. The level of progress to achieve goals is measured (2).

The implementation of resource-based method depends on paying attention to the inputs of the organization, meaning that the organization receives items from the environment and enters them to the conversion stage. This method is based on providing the needed resources and maintaining the success of the organizational system (3).

Evidence-based management means integrating the best scientific principles into the everyday operations of an organization. Arguing that many organizational decisions are based on irrelevant data, managers' personal experiences, untested ideas of health care management, and careless modeling of successful experiences, evidence-based health care management makes evidence-based decision-making from social science research in the management of a health care system (4).

Experts in the area of models and criteria of effectiveness have proposed a multidimensional approach to achieve effectiveness in modern organizations. It means that applying a single criterion is not suitable for all stages of the life cycle and there is no single criterion to meet the needs of all organization people, who have different and competitive interests (5).

Organizations with good management combine and coordinate effectiveness criteria in a way that fits the needs of the situation. Managers should constantly identify the inputs they need and provide them through strategic members. When the information obtained in this way is integrated with the main philosophy and mission of the organization, the hospital management will be able to infer a combination of appropriate criteria of effectiveness (6).

Given the importance of the subject and limited researches the of this area, the aim of this study was to evaluate the status of organizational culture and to investigate the problems and challenges, and to present a developed and effective model of management.

Methods

The present study was applied in terms of aim, descriptive-correlational in terms of nature and survey in terms of method. Statistical population was the employees of a financial organization in 2020. Since structural equation approach was used, the sample size was considered between 5 and 10 times the number of variables in the questionnaire. This number varies from 210 to 420 depending on the mentioned value. Finally, 344 completed questionnaires received and were used as the basis for statistical analysis. They were selected using a stratified random sampling method. To collect data, a researcher-made questionnaire in the form of a 5-point Likert scale (ranging from strongly agrees to strongly disagree) was used. The organizational culture questionnaire was developed in 9 factors and 42 sub-dimensions, the challenge and problem identification questionnaire was developed in 3 factors and 18 sub-dimensions, and the organizational effectiveness questionnaire was designed in 4 factors and 28 sub-dimensions. The face and content validities of the questionnaire were

confirmed. To evaluate the reliability of the questionnaires in a pilot study, it was distributed among 30 people. The calculated Cronbach's alpha coefficient, according to table 1, was calculated higher than 0.7, which indicated the internal consistency of the items and confirmation of reliability.

The study follows Helsinki Declaration. The participants entered the study after informed consent. Their information considered confidential and no information was released that would identify the individual. To analyze the data, t-test in SPSS software and structural equation modeling in AMOS software were used.

Table 1. Reliability of research questionnaire dimensions

Dimension	Cronbach's alpha	Number of questions of each dimension
Capacity development	0.700	5
Ideals and goals	0.754	5
Communications	0.858	4
Coordination and coherence	0.740	5
Risk-taking	0.704	4
Customer orientation	0.744	5
leadership style	0.781	4
staff rewards	0.740	4
Covenant	0.873	6
Individual	0.791	5
Organizational	0.792	7
Environmental	0.796	6
Achievement	0.872	7
Conformity	0.889	7
Unity and cohesion	0.853	7
Continuity (model maintaining)	0.894	7

Results

The first question was: what is the status of organizational culture components in an organization?

According to the mean of organizational culture variables in the study population (mean=3.41 SD=0.57, t=13.32, P=0.001), it can be stated that in the study population, the organizational culture variable was at the desired level. In other words, according to the mean obtained for this variable, it can be stated that the status of organizational culture in the study population was measured above the average level.

Based on the results of table 2, it can be stated that in the study population, the staff reward dimension is not at the desired level (p-value >0.05). In other words, according to the mean obtained for this variable, it can be stated that the status this dimension in the study population was measured below the average level. Also, the dimensions of capability development, ideals and goals, communication, coordination and cohesion, risk-taking, customer orientation, leadership style and covenant were measured at the desired level (above the average level) (p-value <0.05).

The second question of this research was: what is the status of identifying challenges and problems in the organization?

Based on the mean of the variable of identifying challenges and problems in the study population (mean=2.47 SD=0.63, t=-15.57, P=1), it can be stated that in the study population, the variable of identifying challenges and problems is not at the desired level. In other words, based on mean obtained for this variable, it can be stated that the status of identifying challenges and problems in the study population was measured below the average level.

Table 2. Investigating the status of variable dimensions of organizational culture in the study population

Dimension	Mean	SD	Theoretical mean= 3.00	
			t statistic	p-value
Capacity development	3.48	0.71	12.57	0.001
Ideals and goals	3.54	0.62	15.97	0.001
Communications	3.26	0.94	5.05	0.001
Coordination and coherence	3.14	0.67	3.80	0.001
Risk-taking	3.17	0.78	4.03	0.001
Customer orientation	3.17	0.60	5.17	0.001
leadership style	3.61	0.78	14.55	0.001
staff rewards	2.98	0.83	-0.49	0.687
Covenant	4.09	0.77	26.39	0.001

Based on the results of table 3, it can be stated that in the study population, individual, organizational and environmental dimensions are not at the desired level (p-value >0.05). In other words, according to the mean obtained for this variable, it can be stated that the status of these dimensions in the study population was measured below the average level.

The third question of this research was: what is the organizational culture model in terms of organizational effectiveness?

The software output indicates the appropriateness of the proposed research model, so that the root mean square of the estimation error (RMSEA) is equal to 0.075,

the CMIN / DF value is equal to 3.075 and the value of Goodness Fit Index (GFI) is equal to 0.893. Other indices for fit the proposed research model are presented in table 4. In the structural model, the covariance relation was used to improve the fit indices.

Table 3. The status of the variable of identifying challenges and problems in the study population

Dimension	Mean	SD	Theoretical mean 3.00	
			t statistic	p-value
Individual	2.55	0.74	-11.26	1.000
Organizational	2.53	0.68	-12.93	1.000
Environmental	2.35	0.70	-17.39	1.000

Table 4. Fit indices of the model proposed for the main research question

Index	Acceptable range	value
Normalized Chi-square (CMIN / DF)	≤ 3	3.075
Goodness of Fit Index (GFI)	≥ 0.9	0.893
Adjusted Goodness of Fit Index (AGFI)	≥ 0.9	0.846
Normalized Fit Index (NFI)	≥ 0.9	0.922
Incremental Fit Index (IFI)	≥ 0.9	0.940
Tucker-Lewis Index (TLI)	≥ 0.9	0.924
Comparative Fit Index (CFI)	≥ 0.9	0.940
Root Mean Squared Error Approximation (RMSEA)	≤ 0.8	0.075

Table 5. Investigating the relationship between variables in the third research question

Relationship between variables	Path coefficient	t statistic	p-value
Organizational culture ➡ identifying of challenges and problems	0.486	14.143	0.001
identifying of challenges and problems ➡ organizational effectiveness	0.441	13.033	0.001

The results presented in table 5 and figure 1 show a significant relationship between organizational culture and identifying challenges and problems (p = 0.001, β = 0.486). Due to the positive coefficient of the path, this relationship is direct. It means that by increasing and improving the implementation of organizational culture, more challenges and problems are identified. The results also show a significant relationship between identifying challenges and problems and organizational effectiveness (p = 0.001, β = 0.441). This relationship is direct.

The results of table 6 show that organizational culture indirectly affects organizational effectiveness by identifying challenges and problems. The level of indirect impact through the identifying challenges and problems is equal to 0.214. Also, based on the calculations, a significant confidence interval was obtained from the bootstrap method to investigate the mediating role of the variable of identifying challenges and problems at (0.763, 0.491). If the confidence interval is not zero, it is assumed that there is a significant indirect relationship between the mentioned variables.

Accordingly, the mediating effect of organizational culture on the relationship between organizational culture and identifying challenges and problems is confirmed.

Discussion

Undoubtedly, the financial systems have a vital role in the increasing development of society, so one of the effective steps in highlighting this role is to pay special attention to organizational culture and its dimensions in the organization. The final results in this study show an increasing relationship between organizational culture and its dimensions with the identification of challenges and problems and also the relationship between identifying challenges and problems with the effectiveness of the organization.

although, the staff reward dimension according to the mean obtained, can be said that the situation of this dimension has been measured below the average level. Leadership style and covenant were measured at the desired level (above the average level). It is in line with Zarei Matin

Table 6. Investigation the type of effects in the third research question

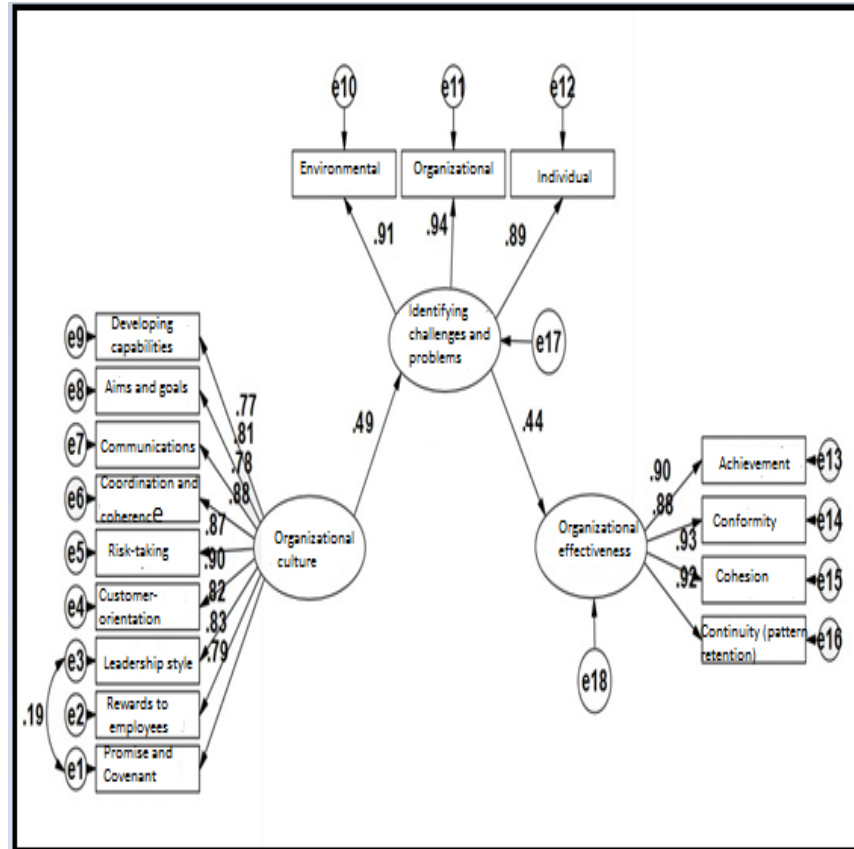| Relationship between variables	Direct effect	Indirect effect	Total effect
Organizational culture ➡ identifying challenges and problems	0.486	-	0.486
identifying challenges and problems ➡ organizational effectiveness	0.441	-	0.441
➡ Organizational culture organizational effectiveness	-	0.214	0.214

Figure 1. Results of structural equations to investigate the main research question

et al. findings (7). However, the contingency view states that the values and norms derived from the basic assumptions must change in accordance with changes in the situation and the environment. Each situation requires its own strong culture, and in this case, it will be effective. In any situation, cultural characteristics, strategies, commitments, and leadership styles must match. Thus, the nature and content of values is the main factor in the impact of culture on organizational effectiveness. If dominant values support organizational goals and strategies, culture will be an important asset; otherwise, false values will turn culture into a debt and a fundamental disadvantage (8).

Based on the results of coefficient of determination (R2), 19% of changes in organizational effectiveness are explained by identifying challenges and problems., it can be stated that in the study population, the

variable of identifying challenges and problems was not at the desired level. Considering the dimensions of this variable in the study population, individual, organizational and environmental dimensions were not at desired level and the status of these dimensions in the study population was measured below the average level.

Hospitals, as complex organizations in the health system, play a key role in establishing and achieving the goals of the higher health system in the country. Nowadays, hospitals are facing insufficient funding for the health sector, rapid advances in technology and medical equipment, lack of staff motivation, increasing patient dissatisfaction, and, in some cases, a relative decline in hospital profitability. The solution to overcome these problems is management of hospital processes, and because hospitals as

specialized and social institutions have complex business processes, these organizations under two constant pressures of reducing the costs and increasing service quality. Thus, they should pay special attention to the principles of their business processes for their survival (9). Mi, stated that strong cultures could provide a tool that relaxes organizational life over time. It is done by strengthening the organization against pressures and difficulties and by improving general effectiveness. Studies conducted by Gordon suggest that a strong culture produces positive results in terms of coherence, agreement, and consistency, and a good culture in terms of content, but a combination of coherence, agreement, and content is more powerful (10). In today's world, organizations need innovation to survive and maintain a competitive advantage, and one of the factors that leads to the emergence and strengthening of innovation is the culture that governs the organization (11).

At the organizational level, the analysis of organizational culture as an intertwined set of common beliefs of members of the organization has a particular importance in organizational effectiveness, and effectiveness is nowadays based on creating attitudes, mindsets and values referred to as organization culture. It enables the organization to face, identify and deal with a wide range of environmental turbulences and to provide environmentally friendly behaviors. It also brings effectiveness for the organization (12).

Organizational culture as a set of common beliefs and values affects the behavior and thought of members of the organization. It can be a starting point for movement and dynamism or a barrier to progress. Organizational culture is one of the most basic areas of change and transformation in the organization (13). as state by Salimi and Ghaloujeh, in their research work, promoting

the mental health of employees requires a special organizational culture that supports creativity, self-governance, responsibility and employee participation. The results of human resources studies show that the development of productive human resources directly plays an important role in achieving many organizational goals. A good work environment can affect the growth of personnel values and increase their power and productivity; For this reason, the science of organizational behavior and engineering of human factors or ergonomics is of great importance for managers (14).

There is a common concern among health care management experts that research in this area failed to influence managerial actions and practices effectively. The source of this concern is that decision-making arguments in the hospital rely on the experience and personal intuition of the manager or the opinion of the hospital management council and it will not guarantee archiving the organization's goals. Evidence-based health care management as a solution to this problem involves combining the best evidence obtained from theories, research achievements and management research in order to make the best decisions in the organizational area (15).

Organizational culture is a model of basic assumptions that a specific group invents, discovers and develops it to overcome the problems of external compliance and internal integration. If these assumptions work correctly, it is considered valid and are taught to new members of the organization as the correct way of perceiving, thinking and feeling. Organizational culture holds the organization set together as an identity and a source of distinct competencies (16).

In organizations with a strong culture, their members are completely aware of the missions and goals of the organization and are committed to it and there is a necessary

alignment between the goals of the hospital staff and the goals of the organization and management. They consider organizational benefits, and this is an important factor in better organizational performance and effectiveness (17).

Having a supportive and appropriate culture is an important factor in ensuring the effectiveness. In fact, organizational culture is the foundation of organizational effectiveness. If the organization cannot change its knowledge and adapt to new and innovative environment, organizational culture will be seriously harmed (18). Organizational culture is an important factor that determines management practices and affects management performance.

In general, organizational culture can have a great impact on the work behaviors of hospital staff. Efficient and effective organizational culture helps people to solve these problems and apply new solutions through a process of applied creativity that includes continuous innovations and the definition of new problems and issues, and the use of new solutions, coordinate different approaches and integrate them to solve challenges (19).

Considering the relationship between culture and effectiveness, an important view is that organizational culture should be strong. It means that majority of the members of the organization should seriously accept basic aspects of culture. Also, its certain key characteristics should be in accordance with the environmental conditions.

Nabovati, argue that an organization becomes more effective when it creates or maintains an organizational culture to emphasize the achievement of multiple priorities and goals, and sometimes changes. In such an environment, hospital staff can interpret what is happening in ways that are consistent with the goals and priorities of the organization and staff (20).

Applied Recommendations

1- The results showed that the staff reward dimension was not at the desired level, so it is recommended for the managers consider strategies to increase the wages and benefits of hospital staff.

2-The results showed that the status of identifying challenges and problems in the organization is below the average level, so it is recommended for managers of the organization make the necessary plans to identify organizational problems and challenges at all levels (individual, organizational and environmental) and minimize these challenges and problems in the organization as much as possible.

3-The results of the research showed that the intensity of the relationship between the covenant and identifying challenges and problems is more than other dimensions, so it is recommended for managers perceive the important role of the component of culture in the organization and promote other organizational culture components to take the necessary measures.

4- The results showed that the relationship between environmental dimension and organizational effectiveness is more than other dimensions studied. Hence, it is recommended for managers to identify environmental factors such as conflict between job and life of hospital staff and the existence of strong and multiple subcultures as much as possible to take appropriate measure to reduce the effects of these factors.

Conclusion

Hospitals, as organizations with many specialties, which aim to provide health services and improve the quality of community health, are not excepted from these general rules governing the evolution of management in organizations and have undergone this change in attitude in management. By the end of the twentieth century, the introduction of traditional management approaches in hospitals had

made them organizations with task-oriented structures. The research results suggest a significant relationship between organizational culture and the identifying challenges and problems. Due to the positive coefficient of the path, this relationship is direct. It means that by increasing and improving the implementation of organizational culture, more challenges and problems are identified. The results also showed a significant relationship between identifying challenges and problems and organizational effectiveness and this relationship was direct.

Author's contribution

Hossein Shabani and Masoud Pourkiani developed the study concept and design. Sanjar Salajegheh acquired the data. Saeed Sayadi and Hojat Babaei analyzed and interpreted the data, and wrote the first draft of the manuscript. All authors contributed to the intellectual content, manuscript editing and read and approved the final manuscript.

Informed consent

Questionaires were filled with the participans' satisfaction and written consent was obtained from the participants in this study.

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Conflict of interest

The authors declare that they have no conflict of interests.

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