

The Effect of Organizational Culture on the Organizational Effectiveness with the Mediation of Organizational Creativity

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ABSTRACT

Having a proper structure within an organization can enhance its productivity and efficiency, leading to improved performance and effectiveness of the organization. One of the signs that the organizational culture has an impact on the organization is based on its characteristics. This research aimed to investigate how organizational culture influences the effectiveness of administrative staff within the education sector, with a focus on the role of organizational creativity as a mediator. The methodology used in the research was correlational. This study will focus on all 299 employees of the education department in Sistan and Baluchestan province. Based on Singh and Moscow's table for sample size determination, the sample population consisted of 172 employees. Dennison's Organizational Culture Questionnaire (2000), Parsons (2005) Organizational Effectiveness Questionnaire (AGIL), and Dorabjee, Lumley, and Cartwright (1998) Organizational Creativity Questionnaire were employed for data collection. The questionnaires' reliability was assessed through Cronbach's test, yielding scores of 0.88, 0.90, and 0.89. The data was examined through structural equation modeling method with the use of SPSS25 and Lisrel8.8 software. The results of the study indicated that organizational creativity is positively and significantly impacted by organizational culture. Organizational creativity has no impact on organizational effectiveness. Additionally, organizational culture plays a crucial role in enhancing the effectiveness of office employees by fostering organizational creativity. Managers are advised to enhance organizational creativity by reconnecting with and acknowledging the strengths of the organizational culture. They can speed up this process by offering regular and varied training sessions and utilizing various techniques to enhance knowledge and enhance job skills.

Introduction

Educational institutions within all communities, just like other organizations, strive to focus on achieving their objectives, which in turn serves as the foundation for evaluating the effectiveness of schools. Aligning organizations with fundamental and strategic objectives, without considering the employees' beliefs and organizational culture, will pose significant challenges to the organization's survival (Hashemian, 2017). Organizations now operate in a more intricate and challenging environment, where leaders must tackle unforeseeable problems with enhanced flexibility to navigate the turbulent surroundings successfully. Some organizations lack alignment and coordination between the beliefs, values, and assumptions of their members, which impacts the overall structure of the organization (Ying



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and Bin, 2009). Examining organizations through the lens of cultures is a recent development in the field of organization and management research. Organizational culture is a genuine and influential occurrence and is crucial for overseeing and regulating organizations. Organizational culture, similar to national culture, is the primary factor that sets organizations apart from one another, whether at a national or global level, and it fosters unity and dedication among members towards the organization's objectives. Studying organizational culture is a time-consuming process as it is based on values, beliefs, and norms, necessitating thorough observation (Amari Far and Jahani, 2012).

Although creativity has always been present throughout human history, organizations have now realized that organizational creativity is crucial for gaining a competitive edge and staying relevant in the face of technological advancements, global competition, and economic instability. This ongoing competitive edge is reflected in the innovative concepts, products, and services generated by the creative imagination. The presence of these ideas raises the likelihood of other employees incorporating and expanding upon them, as well as sharing them with their colleagues for further development and implementation in their work. Thus, incorporating and implementing fresh ideas enables the company to adjust to evolving market circumstances, address emerging challenges and prospects promptly, and expand and evolve (Amiri & Chandel, 2023).

The effectiveness indicators of organizations, such as performance, self-confidence, individual behavior, and motivation, can be positively influenced by organizational culture, as well as job satisfaction, commitment level of human resources, design of organizational structure and systems, goal setting, and formulation and implementation of strategies (Arabi, 2007). Having an appropriate organizational culture within the company can enhance employees' performance and effectiveness, leading to increased organizational efficiency. Organizational culture's impact on indicators includes organizational effectiveness due to its characteristics. In a study, Mousavi Davoudi (2017) examined how organizational culture influences both organizational strategy and organizational effectiveness. The data analysis findings indicated that organizational culture positively and markedly impacts organizational strategy and effectiveness; moreover, organizational strategy positively and markedly affects organizational effectiveness. Ghanbarpour (2015) explored the correlation between organizational culture and creativity in Bank branches located in Semnan province. The findings indicated that employee creativity is influenced by organizational culture. Seidi, Shahidi, and Shohale (2013) also determined that there is a notable correlation between creativity and aspects of organizational culture in a different study named "relationship of organizational culture with creativity and organizational change among principals of primary schools in a district of Shiraz". The outcomes of multiple regression indicated that ambiguity refusal, individualism, and patriarchy dimensions of organizational culture are able to forecast creativity.

Therefore, modifying an organization's culture can impact its creativity - moving towards a collaborative culture enhances creativity, while moving away from it decreases creativity. Gochhayat, Vijai, and Damodar (2017) found in their research on the impact of organizational culture on organizational effectiveness, with the involvement of organizational communication, among 167 leaders and 334 subordinates from Indian universities, that organizations with a robust culture are more successful. It is less strong than a weak culture organization. Zheng, Yang, and McLean (2010) examined how knowledge management acts as a mediator between culture, structure, and organization, influencing organizational effectiveness. 190 employees working in a food-related company were considered as the statistical population for the study. Confirmatory analysis was used in both the initial and subsequent stages to assess the questionnaire's validity, while Cronbach's alpha was employed to ascertain reliability. The research hypotheses were tested using path analysis within the structural equation model. The results showed that knowledge management plays a mediating role in the connection between culture and organizational effectiveness, as well as organization structure and organizational effectiveness. Yet, the impact of knowledge management on the connection between organizational strategy and organizational effectiveness was not easily evident. Yilmaz and Ergun (2008) conducted a research on Organizational Culture and Company Effectiveness, exploring the impact of culture traits on organizational effectiveness. The findings indicate that having a strong mission has a bigger influence on effectiveness compared to other factors. Success and productivity are linked to cultural compatibility and effective communication of

these elements, and there is a clear connection between organizational culture and effectiveness. In a study titled *Organizational Culture and Organizational Effectiveness: A Study of Values, Attitudes*, Gregory, Harris, Armenakis, and Shook (2009) examined how organizational culture impacts organizational effectiveness. The research findings indicate that employees' attitudes act as a mediator in the connection between organizational culture and organizational effectiveness, with organizations that possess a stronger culture showing greater effectiveness.

This study aims to explore the impact of employee organizational culture on the performance of administrative staff in the offices of Sistan and Baluchestan province, with a focus on the mediating role of organizational creativity.

Method

Sample and Sampling Method

Correlation is the approach used to carry out the desired research. This study focuses on the entire workforce of the education department in Sistan and Baluchestan province, totaling 299 individuals (215 males and 84 females). Based on Singh and Masuku's (2014) sample size table, the sample size was determined to be 172 employees (124 males and 48 females). The technique of using stratified sampling based on volume and simple random sampling has been employed.

Tools Used

The following three questionnaires were used in this research:

Organizational culture questionnaire: Denison's (2000) viewpoint is applied to evaluate and investigate the components of organizational culture in this research. The aim of this 12-question survey is to evaluate the organizational culture and key elements such as knowledge sharing, external environment, and innovation. It featured a response range similar to Likert scale. A study conducted by Pirayeh, Mahdavi, and Nematpour (2011) revealed that the alpha Cronbach coefficient was .92. In the recent study, a Cronbach alpha reliability score of .89 was achieved.

Organizational Effectiveness Questionnaire: The Organizational Effectiveness Questionnaire utilizes Parsons' (2005) AGIL model, consisting of 28 questions divided into 4 components. It is assessed with a 5-point Likert scale ranging from very low to very high. The elements of the model consist of: adaptation (or innovation), goal achievement (or commitment), integration (or job satisfaction), and latency (or organizational health). Malekinia and Shahbazi (2009) found that the questionnaire had a Cronbach's alpha of .95, indicating high reliability. The current study achieved a reliability of .90 using the Cronbach coefficient.

Organizational Creativity Questionnaire: Dorabjee, Lumley, and Cartwright (1998) created a 12-question creativity and innovation questionnaire for organizations to assess their support for creativity, innovation, and job initiatives. Scoring based on the Likert scale (ranging from 1 for completely disagree to 5 for completely agree) was conducted and a Cronbach's alpha value of over 0.70 was obtained (Moghimi and Ramazan, 2015). The present study found a Cronbach's alpha of .88, indicating strong reliability of the scale.

Procedure

To make data collection easier and faster, the questionnaires were changed to digital format and then sent to the participants directly for them to fill out and submit. Additionally, all participants were guaranteed that their information would be gathered anonymously and held in strict confidence, solely for the purpose of this study.

Results

The data gathered was examined through the application of structural equation modeling technique with the assistance of SPSS-25 and Lisrel- 18 software. Figure 1 displays the research's structural equation model and t-statistics. The findings demonstrate the importance of the coefficients (t-values). This model assesses all measurement equations (factor loadings) and structural equations with t-statistics. Based on this model, when the t statistic falls outside the range of -1.96 to +1.96. This indicates that the path coefficient and factor loading are statistically significant with a confidence level of 95% (at the 0.05 test level). The t values for each factor loading of every indicator with its corresponding latent variable exceed 1.96 in calculations. Hence, it is feasible to demonstrate how questionnaire queries align to assess concepts at this valid phase. The results indicate that the researcher's objectives in using the questionnaire have been accomplished. Thus, the connections between constructs or latent variables can be referenced.

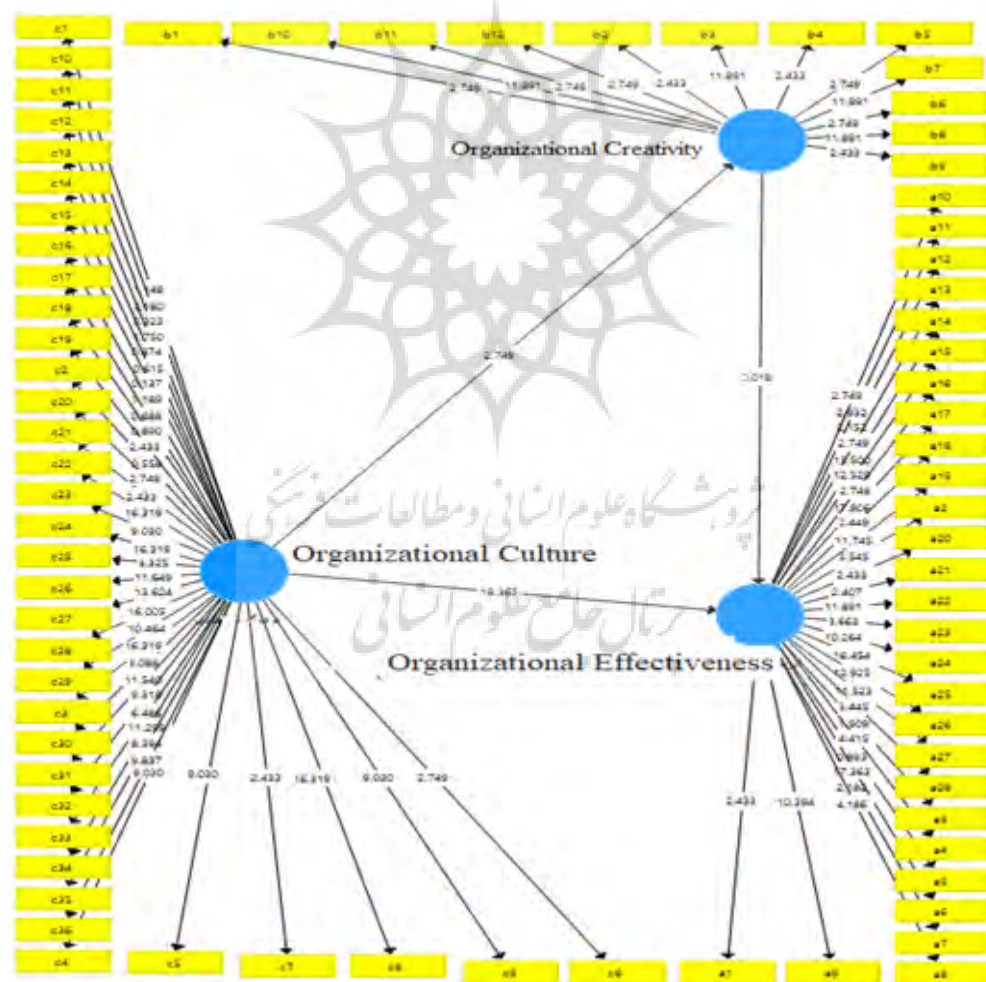


Figure 1 The research model shows significant coefficients

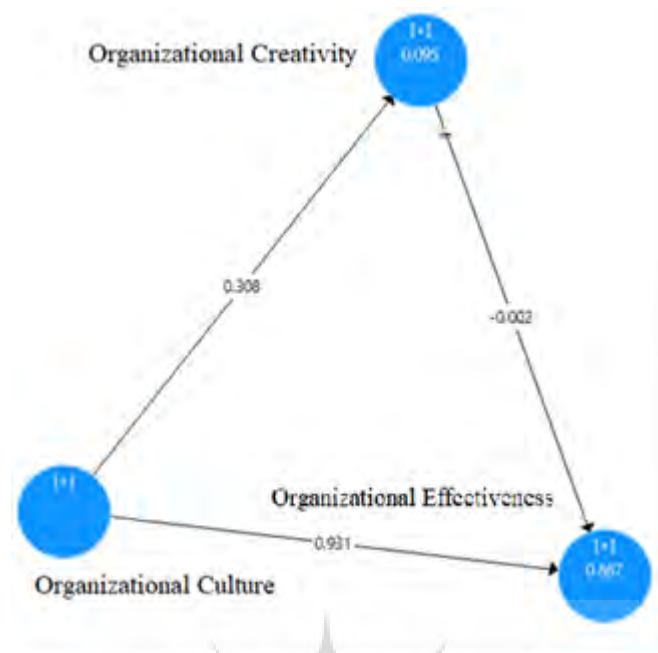


Figure 2 The research model in the state of estimated regression coefficients

First hypothesis: organizational culture has a positive and significant effect on organizational creativity.

The quality of life table shows a path coefficient of 0.31, equivalent to a t-value of 2.75. The t value for this correlation falls outside the -1.96 to +1.96 range, indicating that the significance level for this hypothesis is less than the $\alpha=0.05$ threshold. Therefore, the null hypothesis signifies the impact of culture. There is no importance placed on organizational creativity in this study, as it is rejected and the opposing hypothesis is supported. Moreover, if the coefficient of the path is positive, the effect is also seen as direct. Simply put, the more developed the organizational culture of government workers in Sistan and Baluchestan province, the greater their organizational creativity will be.

Second hypothesis: organizational creativity has a positive and significant effect on organizational effectiveness.

Based on the table's findings, the quality of life has a path coefficient of -0.002, with a corresponding t-value of 0.01. The t value for this relationship falls between -1.96 and +1.96, indicating that the significance level for this hypothesis is greater than the $\alpha=0.05$ threshold. Consequently, the null hypothesis represents the impact of creativity within an organization. The lack of importance on organizational effectiveness is not dismissed, and the contrary hypothesis is not supported. Stated differently, the creativity of employees in the Sistan and Baluchestan provincial government does not impact the effectiveness of the organization.

Third Hypothesis: Organizational culture has a positive and significant effect on organizational effectiveness through the mediating variable of organizational creativity.

The indirect effect observed is not statistically significant ($t=-.002$, $p>.05$) as indicated by the number obtained from the structural modeling equation falling between (+1.96 and -1.96). This implies that the organizational culture has no impact on the organizational effectiveness by influencing organizational creativity among public administration workers in Sistan and Baluchestan province.

Discussion

Based on the data, the path coefficient was 0.31, indicating a positive relationship. The *t* statistic had an absolute value of 2.75 with a significance level of 0.006, suggesting that the organizational culture of employees' management positively influenced organizational creativity. The findings of this hypothesis support the studies conducted by McLean (2005), Maliakkal, and Reiter-Palmon (2023). In the theoretical framework of this study, it can be said that leveraging organizational culture in this company will result in a boost in creativity within its staff.

Key elements of organizational culture in organizations include the organizational atmosphere, mission and vision, effective control, integrity, and compliance, and they should be carefully considered. The organizational culture is crucial for ensuring quality in knowledge production and service delivery within a company. A society that promotes innovation and creativity, and offers rewards to employees for their creative proposals. There will be sufficient motivation to articulate innovative ideas within their group. Creating a creative environment through organizational culture enables staff members to participate effectively. In this scenario, employees are involved in making decisions for the organization and suggest creative solutions for problems within the organization.

Furthermore, based on the results of this study, the path coefficient between the two variables was calculated to be -0.002. Moreover, the significance level was 0.985, indicating that the creativity of office workers did not have a significant positive impact on their organizational effectiveness. The findings of this hypothesis do not align with the study conducted by Floyd and Wooldridge (2012). Expressing strong interest from the employees towards a favorable organizational culture and creating a dynamic and dynamic environment indicates that the employees always feel a special ability and creativity in themselves despite their education, background and career field. They consider themselves creative, responsible and strong, therefore creating and designing structures, methods and regulating organizational processes should provide the environment for innovation, entrepreneurship, giving more responsibility and delegating the necessary authority to them.

Simultaneously, the data showed that the path coefficient stands at 0.491. Therefore, it can be concluded that the effectiveness of office employees in an organization was positively impacted by organizational culture, mainly through the facilitation of organizational creativity. Furthermore, when looking at the outcome from the third hypothesis showing the organizational culture coefficient on organizational effectiveness as 0.424, it can be concluded that the indirect impact of organizational culture (0.491) outweighs the direct impact (0.424). The findings of this hypothesis supported the studies conducted by Ghanbarpour (2015), Abdullahi Pir Badagh (2014), and Sadeghian (2015). At present, organizations still function within a context rife with uncertainties. Furthermore, time is seen as a crucial aspect in present-day organizations, particularly in educational settings. Thus, educational institutions, especially in the field of education and training, must enhance their abilities through the use of skill and speed mechanisms to stay ahead competitively. Stay current and constantly stay one step ahead of other organizations by always thinking ahead. In order to reach this objective, the organization's employees need to be productive and competent, which entails establishing a culture of innovation and creativity within the organization. It is essential to have an organizational culture that fosters creativity in education institutions and employees to support growth and development. The current study demonstrated that when organizational culture incorporates the importance of creativity, it can lead to improved employee effectiveness.

In light of these findings, the following suggestions are proposed:

- One recommendation is for managers to enhance organizational creativity by rediscovering and acknowledging the organization's culture, and leveraging its strengths. They can speed up this process by offering consistent and varied training and utilizing various approaches to enhance knowledge and enhance job skills.

It is recommended that education department managers motivate creative employees by giving them authority and adjusting their management approach based on their level of competency to increase organizational effectiveness.

- Managers are advised to contribute to the development of a formal ethical framework for the organizational culture and adhere to established guidelines on ensuring the effectiveness of the culture within the organization.
- One of the drawbacks of this study is the subjectivity of the data caused by the use of open-ended questionnaires.

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