UNIVERSITI PUTRA MALAYSIA

RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE, ORGANIZATIONAL INNOVATIVENESS AND ORGANIZATIONAL EFFECTIVENESS IN PRIVATE UNIVERSITIES IN IRAN

GITI ASHRAF

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RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE, ORGANIZATIONAL INNOVATIVENESS AND ORGANIZATIONAL EFFECTIVENESS IN PRIVATE UNIVERSITIES IN IRAN

By
GIMITERASHRAF

Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in Fulfillment of the Requirements for the Degree of Doctor of Philosophy

November 2013
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My Dear Family
RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE, ORGANIZATIONAL INNOVATIVENESS AND ORGANIZATIONAL EFFECTIVENESS IN PRIVATE UNIVERSITIES IN IRAN

By

GITI ASHRAF

November 2013

Chairperson : Suhaida bte Abd. Kadir, PhD
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Empirical evidences indicate that if institutions of higher education are to survive and achieve long-run viability, they must be effective. Organizational culture and organizational innovativeness are viewed as important factors for improving the organizational effectiveness in these organizations. The aim of this study was to examine the correlations among organizational culture, organizational innovativeness and organizational effectiveness. Moreover, the mediating role of organizational innovativeness between organizational culture and organizational effectiveness was studied.

The method used in the study was survey research. Based on the cluster sampling method, all full time faculty members from five branches of Islamic Azad University (IAU), located in Region one, Pars Province, Iran, were included in the sample of the study. The number of respondents was 369 participants. For measuring organizational culture, the Organizational Culture Assessment Instrument (OCAI) prepared by Cameron and Quinn (2006) was employed. Two new questionnaires were also developed for measuring organizational innovativeness and organizational effectiveness.

The findings indicated that the mean scores for the three organizational culture types of clan, market and adhocracy were all moderate. However, the mean score for hierarchy culture was low. The mean scores for organizational innovativeness and organizational effectiveness were also moderate. Furthermore, the adhocracy culture, market culture and clan culture were found to have significant positive correlations with organizational innovativeness and organizational effectiveness. However, hierarchy culture showed no significant relationship with either organizational innovativeness or organizational effectiveness. Additionally, organizational innovativeness was found to have a significant positive relationship with organizational effectiveness.

The results indicated that organizational innovativeness partially mediated the relationships among clan, adhocracy and market cultures with
organizational effectiveness. Adhocracy culture contributed to predicting organizational effectiveness positively significantly. Clan, adhocracy and market cultures were positive and significant predictors for organizational innovativeness. Both technical and administrative innovations predicted organizational effectiveness positively significantly. The findings of this study demonstrated that adhocracy culture type is the positive predictor for organizational innovativeness and organizational effectiveness. Therefore, adhocracy culture needs to be strengthened within IAU in Iran in order to enhance the innovativeness and effectiveness of universities.
Abstrak tesis ini dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi syarat keperluan untuk Ijazah Doktor Falsafah

HUBUNGAN ANTARA BUDAYA ORGANISASI, INOVASI ORGANISASI DAN KEBERKESANAN ORGANISASI DALAM UNIVERSITI SWASTA DI IRAN

Oleh

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Kaedah yang digunakan dalam kajian ini adalah kajian penyelidikan. Berdasarkan kaedah persampelan kelompok, ahli fakulti sepenuh masa (IAU) dipilih daripada lima cawangan Islamic Azad University yang terletak di Region One, Pars Province, Iran. Bilangan responden ialah 369 peserta. Soal selidik berdasarkan Organizational Culture Assessment Instrument (OCAI) yang disediakan oleh 'Cameron dan Quinn' (2006) diguna untuk mengukur budaya organisasi. Terdapat dua set soal selidik yang baru disediakan untuk mengukur inovasi organisasi dan keberkesanan organisasi.

Dapatan kajian menunjukkan bahawa min skor bagi tiga jenis budaya organisasi iaitu clan, market, dan adhocracy adalah sederhana. Walau bagaimanapun min skor bagi budaya hierarchy adalah rendah. Min skor bagi inovasi organisasi dan keberkesanan organisasi juga sederhana. Selain itu budaya adhocracy, budaya market, budaya clan menunjukkan hubungan positif yang signifikan dengan inovasi organisasi dan keberkesanan organisasi. Walau bagaimanapun dapatan kajian menunjukkan tidak ada hubungan yang signifikan antara budaya hierarchy dengan inovasi organisasi dan juga keberkesanan organisasi. Kajian ini juga mendapati terdapat hubungan positif yang signifikan antara inovasi organisasi dan keberkesanan organisasi.

Hasil kajian menunjukkan bahawa inovasi organisasi menjadi pengantara separa bagi hubungan antara budaya clan, adhocracy dan market dengan
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I would like to extend my greatest thanks to Gracious Allah. I firmly believe that through Him ALL things are possible. The thesis owes its existence to all those who gave me their kind assistance in different ways in its completion.

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I extend my sincere gratitude to all my family who taught me faith and perseverance. To my late father whom I lost while I was at a great distance from home. I would also like to thank Professor Dr. Maimunah Ismail, Professor Dr. Murali Sambasivan, Dr. Soaib Asimiran, Dr. Mohsen Khademi and Dr. Mohammad Hassan Rezaie for their kind and professional assistance for developing the research instrument.

I owe appreciation to IAU, for providing facilities for collecting data and for granting me leave to pursue my studies. I also express gratitude to my colleagues and other friends for their camaraderie over these years.
I certify that a Thesis Examination Committee has met on 11 November 2013 to conduct the final examination of Giti Ashraf on her thesis entitled "Relationship between organizational culture, organizational innovativeness and organizational effectiveness in private universities in Iran" in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U. (A) 106] 15 March 1998. The Committee recommends that the student be awarded the Doctor of Philosophy.

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DECLARATION

Declaration by Graduate Student

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This is to confirm that:
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CHAPTER 1

INTRODUCTION

This chapter begins with a review of the background of the study. Next, the related theories are reviewed. The chapter continues with the statement of the research problem, followed by research objectives and questions. Subsequently, the significance of the study and its limitations are discussed. The final part of the chapter presents the definitions of some of the key terms.

1.1 Background of the Study

Organizational effectiveness is the ability of an organization to access and attract resources and consequently achieve its aims (Mcluhan, 2006). Accountability and institutional effectiveness are expected from universities for several reasons, including the rising student enrollments, increasing costs of education, decreasing research grants, diminishing learning-teaching resources, as well as growing needs for skilled workers and economic development (Burke, 2005; Skolits & Graybeal, 2007). Organizational effectiveness should focus on human resources. The organizations must help individuals to achieve skills and self-esteem in order to control the new environment and find security and support (Vinitwatanakhun, 2002).

The review of literature shows that although organizational effectiveness of higher education organizations has other dimensions like structure, leadership style, and quality of work life, the organizational culture as the basic factor has considerable significance (Khoshbakhti, 2005). According to Arshad (2003), different factors of the organization like social recognition, monetary incentives, educational level, gender and experience of the employees will influence the organization’s effective functioning. The contribution of culture and the role of the environment should be considered important for an organization to achieve success.

The crucial effect of culture on human resources has been investigated by different researchers in the field of human resource management. Mehralizadeh and Atabi (2006) state that culture will influence the improvement of organization and help determine the meaning of organizational effectiveness. Many aspects of organizational effectiveness are influenced by organizational culture. Such aspects vary from the way individuals do their work to the nature of an organization’s strategy and key activity initiatives. The definition of organizational culture suggested by Cameron and Quinn (2006) overlaps the definition of success that characterizes an organization. It also covers expectations, collective memories, language and symbols, dominant leadership style and everything that is valued.

One of the duties of higher educational institutions is to increase their effectiveness by using the experiences, talents, and moral capabilities of
their human resources such as students, faculty members, and staff. This duty can be easily fulfilled through organizational culture in which needs, expectations, knowledge, and capabilities of individuals, environment, and organization have been matched with each other. Thus, higher education management should pay special attention to investigation of organizational culture and its different dimensions (Ardalan, Salimi, Rajaeepour, & Molavy, 2008).

According to researchers like Deal and Kennedy (2000) culture plays a significant role in shaping organizational procedures. Yilmaz and Ergun (2008) hold that culture is a major part of an organizational activity and a key factor in solving organizations’ problems. Culture is also considered the major factor which gathers all the abilities of an organization so as to make a united unit (Day, 1994) and to encourage or discourage an organization to reach its aims (Denison & Spreltzer, 1991).

It is not possible to duplicate the comparative benefits achieved through a culture-driven organizational capability because culture is socially complex and causally ambiguous. Thus, it is crucial to create a source of long-lasting competitive benefit as mentioned by Yilmaz and Ergun (2008). This point motivated researchers to conduct studies empirically to collect some features of the culture of an organization and the effect that it places on the processes, effectiveness as well as the outcomes of an organization (Carmeli & Tishler, 2004). In this respect, Processor (2000) states that some researchers suppose that organizational culture can be reshaped, making a unifying force that leads to organizational effectiveness.

Organizational culture can influence the ways of planning, organizing, staffing, leading and controlling that known as managerial functions (Mcluhan, 2006). There is the fact that organizational leaders have the ability to impact the effectiveness of an organization by exercising control over elements related to organizational culture (Kwantes & Bolglarsky, 2007). In his attempt to identify the available organizational culture in higher education contexts, Eichotz (2004) found that organizational culture could influence motivation, job satisfaction and organization obligation. He believed that managers could strengthen organizational culture if they paid more attention to values, ideas, and norms of their organization.

Several decades ago, human resources, investment, technology, raw materials, production, and management skills were assumed as the factors which led to the organizational effectiveness. However, nowadays, organizational culture and organizational innovativeness are regarded as the two important factors which formulate and strengthen the organizational performance (Zarei Matin & Mahdavi, 2003).

Organizational innovativeness was first used to define the outlook and agreement that the consumers have toward new products in the literature of communication and innovation. Generally, the consumers who possess the attribute of innovativeness are more prone to accept and use new products in
the market in comparison with others. The organizational innovativeness means the extent to which an organization is ready to accept innovation and apply it in the organization (Rogers, 2003). On the whole, organizational innovativeness means the capability of an organization for innovation and its active ability to put new opinions, technology or products into practice (Lin, 2006). Organizations which are scientifically oriented, like laboratories and universities which carry out scientific research face increasing pressure. They have to present effective management and be responsible for to optimizing their effectiveness despite their limited resources. Managers in these organizations are obliged to be innovative in their research, conduct, sponsorship as well as design and management (Baker & Branch, 2008).

The primary goal of innovation is to help maintain an organization’s long-term performance and improve its short-term efficiency. The performance goal can be accomplished by offering new and improved services to existing or new users as well as introducing innovations in the internal systems of the organization (Walker, Damanpour, & Avellaneda, 2007). Innovation can not only enhance organizational adaptability but also improve organizational performance (Chen, Liu, & Wu, 2009). It helps higher education organizations to grow and maintain their roles in changes. It helps them initiate cooperation of researchers and professors that can bridge the gap between research, training and innovation (Ghorchian & Salehi, 2005).

In Iran, Islamic Azad University (IAU) is one of the largest nongovernmental universities in the world. It was founded in 1982 after Islamic revolution in Iran. Its slogan was “higher education for all”. After three decades, the IAU now has over 4,000,000 graduates, 1,700,000 students, 35,000 faculty members and over 35,000 administrative staff across Iran. With over 400 university branches and educational centers, built on an area exceeding 21 million square meters (Vice president international affairs of IAU, 2012). The ability of institutions of higher education to respond to the constituents noted above is dependent upon the degree to which the institution is engaged in assessing organizational performance (Alexander, 2000). Universities that are known for outstanding research, quality education, and their economic contributions to a region understand and value the effectiveness of their constituents (Dela Cruz, 2011).

The large majority of Iranian students attend private universities. These universities play a central role by providing access to students who would otherwise be unable to obtain academic degrees (Altbach & Umakoshi, 2004). Although universities are essentially non-profit organizations, but to finance and re-investment in their training activities they have to make enough money. There is no doubt that universities face with a series of competitive - local, regional, international fields. The present age is customer focus and audience-centered to the organization. The success of any organization is directly related to the demands of clients and audiences. Therefore, private universities have to care about the quality of their services to survive (Amoopour, Asgari, & Azari, 2012). It can help them to don’t waste human capital, financial and material resources needed and coordinate the
development of educational systems and their performance is essential (Taleghani, Soofi, & Fomani, 2012).

Jafari, Ghourchian, and Sadeghi (2013) evaluated components related to a sustainable university of IAU. Evaluated components of the study including: ideal ideas, mission and policy in university, organization structure and stakeholders corporation, education, research, sources management, food products and recycling, reconstruction and green construction, students life and partnership, transportation, standards, management information system, academic freedom and faculty appointment and promotion decisions, clear rights and responsibilities and finally accountability. Results have shown the university is in a desirable status in components of management information system, academic freedom, qualified appointment and promotion as well as accountability and the rest of components are in undesirable condition.

Based on important roles of culture and innovation in organizational performance improvement, this study is going to determine the relationships among organizational culture, organizational innovativeness, and organizational effectiveness in IAU. It is expected that research findings can help to improve and increase institutional effectiveness of IAU to achieve ideal situation for competing at a global level.

1.2 Theoretical Background

The present study is anchored on the excellent theory and the socio-technical system theory as well as three models related to these theories. They are: Competing Values Framework (CVF) model of organizational culture, the type approach of organizational innovativeness, and the organizational effectiveness model established on Cameron’s (1978) framework. These theories and models are briefly presented in the next sections.

Organizational Culture

The introduction of the concept of organizational culture has generally been attributed to several individuals, including Hofstede (2001) and Schein (2004). Organizational culture has been defined in various ways for example, L.A. Gruning, J. E. Grunig and Dozier (2002) in their theory of excellence defined organizational culture as “the sum total of shared values, symbols, meanings, beliefs, assumptions, and expectations that organize and integrate a group of people who work together” (p. 482). They determined that organizational culture consists of the set of presuppositions that make up a worldview and also the products of that worldview. (Products might consist of values, stories, myths, artifacts, and rituals). According to excellence theory, organizational culture has several key characteristics that are:

- Authoritarian versus participative management style.
- Liberal versus conservative values.
- Cooperation versus domination in relationships with publics.
- System open versus closed to its environment.
• Innovation versus tradition and efficiency as organizational values.

In this theory, characteristics on the left would characterize participative cultures and those on the right authoritarian cultures. However, no organization is totally participative or totally authoritarian. In the current study, organizational culture is studied based on CVF that is one main approach in excellence theory. Cameron and Quinn (2006) made a framework for the organizational culture whose theoretical basis was referred to as the CVF. The mentioned model is useful when making a profile for the culture of an organization.

Generally speaking, this profile includes four types, namely clan, hierarchy, adhocracy and market. The clan focuses on the events happening inside the organization with a sense of flexibility; it pays attention to people and customers. The second type, hierarchy, concerns the internal maintenance with special attention to control and stability. The focus of adhocracy culture is on the external shapes with much concentration on individuality and flexibility. The fourth type of organizational culture is the market culture. It focuses on the outside stance. In this culture, control and stability are of significant values. In the current study, CVF is employed for studying the organizational culture of IAU in Iran.

Organizational Innovativeness

The adoption of innovation is a means for organizational adaptation and change to facilitate achieving the organization’s performance goals, especially under the conditions of intense competition, rapidly changing market, scarce resources, and customer and public demand for higher quality and better products and services (Jansen, Van den Bosch, & Volberda, 2006). Based on the socio-technical system theory in effective organizations the technical and social systems operate in balance; that is, the adoptions of technological and administrative innovations are equally important (Damanpour, Walker, & Avellaneda, 2009).

In reference to the socio-technical system theory; this study utilizes the two innovation types, namely technical innovation and administrative innovation that are most widely used in conceptualizing and operationalizing innovation (Damanpour, 1987; Jaskyte, 2002; Obenchain, 2002; Perri 6, 1993; Shin, 1996). Damanpour (1987) placed a distinction between innovation in administration and in technology. The administrative innovation includes changes in the processes of the administration and structure of an organization. According to Schin and McClomb (1998), administrative innovation consists of regulations, roles, structures, and procedures which depend on the interactions of employees with one another. It has a direct relationship with the management of the organization.

In contrast, technical innovation introduces some reform in the services or products. This takes place when a new technique, instrument, or a different system is utilized (Damanpour, 1987). Technical innovation can lie in: (1) the
unprecedented new technological content present in the newly introduced products or (2) the process that uses new instruments of the technological development (Wang & Ahmad, 2004).

**Organizational Effectiveness**

A variety of definitions of organizational effectiveness have been proposed during the last half century. For example, J.E. Grunig and L.A. Gruning (2008), in their theory of excellence defined organizational effectiveness as occurring when an organization achieves goals chosen in consultation with stakeholders. According to L.A. Gruning, J. E. Grunig and Dozier (2002), theory of excellence synthesized the four main approaches of effectiveness that help to explain why some operations are considered successful and thrive, whereas others are seen as ineffective. These perspectives are competing values, systems, strategic constituencies and goal attainment. In the present study, the competing values approach was discussed previously related to organizational culture. The systems perspective emphasizes the interdependence of organizations with their environments, or the system with its suprasystem. The strategic constituencies perspective, like systems theory, acknowledges interdependencies within the organization and, especially, between the organization and its environment. However, it focuses on those elements of the environment most critical to the organization. Finally, the goal attainment perspective proposes that the effective organization realizes its goals. The emphasis is on ends, rather than any balance between means and ends. Its attraction is the acknowledgment of purposeful action.

In the current study, organizational effectiveness is studied based on Cameron’s (1981) model which can be related to organizational effectiveness approaches in the excellence theory. In an effort to address the need for a meaningful model for effectiveness in educational institutions, Cameron (1978) identified nine dimensions of organizational effectiveness. These dimensions can be used to evaluate the performance of all forms of postsecondary institutions.

The first four dimensions focus on students, including students’ educational satisfaction, professional development, academic development, and personal development. Effectiveness in the above-mentioned dimensions means to determine to what extent the students are satisfied with their studies and to what extent they are scientifically, professionally, and individually proficient.

The fifth dimension in organizational effectiveness is the satisfaction of the faculty and the administrators with their employment. It indicates that the members of the faculty are satisfied with the situations they are in. The next dimension is progress in profession and efficiency which the faculty bears. It means to identify how much the faculty members have improved in their profession and how well the faculty has gained progress. Furthermore, the incentives which the institution provides for the members can be identified, too.
The seventh dimension is system openness and community relationship. It indicates the focus on the relationship and compatibility with and working inside and outside the setting. The next dimension is the capability in attracting resources. It deals with identifying to what extent the organization has access to outside resources such as financial resources and legal support. This dimension also seeks to identify to what extent the organization can attract well-qualified students and faculty members. The last dimension is organizational health that will determine to what extent the organization supports its staff and faculty members.

1.3 Problem Statement

Quality assessment in higher education is both a national and a global concern for academic leaders (O’Brien, 2009). It is the main subject in the area of quality education and concerns accomplishing institutional goals and meeting financial obligations (Maguad, 2007). Over the past decade, challenges and demands for higher education institutions to demonstrate institutional effectiveness and accountability from the government as well as the nongovernment sectors have steadily increased (Behr & Walker, 2009; Middaugh, 2009).

Islamic Azad University as a major private university in Iran is expected to fulfill the following aims: to increase the professional satisfaction of the academic and non-academic staff along with improving their performance; to improve the academic satisfaction of the students, to promote educational quality and organizational activities, to make the administration of the university more effective through training creative and responsible individuals, to pay more attention to technology and present electronic services to increase clients’ satisfaction, and to make a refreshing, innovative, spiritual, and effective environment (Jafarzade Kermani & Fatahi, 2004; Rahnama, et al., 2011; Zand, et al., 2011). Based on these expectations, IAU has struggled to develop processes and strategies to promote the effectiveness of their institutions.

Based on literature, it was found that the type of organizational culture has a significant association with organizational effectiveness (Anderson, 2000; Cameron, 1984; Dela Cruz, 2011; Lejeune & vas, 2009). A few studies explored variables that moderated or mediated the relationship between organizational culture and organizational performance. For example communication (Garnett et al., 2008), Leadership (Chen, 2004), and human resource-related performance (Ngo & Loi, 2008).

There are researches concerning the link between organizational culture and organizational innovativeness (Bratianu & Vasilache, 2009; Duréndez & Garcia, 2008; Obenchain, Johnson, & Dion’s, 2004). A number of researchers have demonstrated that there is a positive relationship between organizational innovativeness and organizational effectiveness. (Gopalakrishnan, 2000; Lin, 2006; Tajeddini, 2011; Wang, 2005). A few studies support the important role of organizational innovativeness as a
partial mediator between environmental and organizational variables and organizational performance (Vincent, Bharadwaj and Challagalla, 2004).

Considering all above points, there is a lack of understanding surrounding the relationship between the organizational culture, organizational innovativeness, and organizational effectiveness. Moreover, these relationships have yet to be empirically investigated together. In the current study, the gap in the literature leading to the study on whether organizational innovativeness has a mediating effect on relationship between organizational culture and organizational effectiveness? By addressing this concern, via the proposed objective, this investigation provides more insight to the organizational culture and organizational effectiveness literature.

1.4 Research Objectives

This research pursues the following objectives:
1. To determine the organizational culture, organizational innovativeness and organizational effectiveness levels in IAU as perceived by the faculty members;
2. To determine the relationship between organizational culture types, organizational innovativeness and organizational effectiveness in IAU as perceived by the faculty members;
3. To determine the mediation effects (if any) of organizational innovativeness between organizational culture types and organizational effectiveness in IAU as perceived by the faculty members;
4. To determine the organizational culture type that best predicts the organizational effectiveness in IAU as perceived by the faculty members;
5. To determine the organizational culture type that best predicts the organizational innovativeness in IAU as perceived by the faculty members; and
6. To determine the organizational innovativeness type that best predicts the organizational effectiveness in IAU as perceived by the faculty members.

1.5 Research Questions

This study addresses six research questions as follows:
1. What are the organizational culture, organizational innovativeness, and organizational effectiveness levels in IAU as perceived by the faculty members?
2. What are the relationships among organizational culture types, organizational innovativeness, and organizational effectiveness in IAU as perceived by the faculty members?
3. Does organizational innovativeness mediate the relationship between organizational culture types and organizational effectiveness in IAU as perceived by the faculty members?
4. Which type of organizational culture is the best predictor of organizational effectiveness in IAU as perceived by the faculty members?
5. Which type of organizational culture is the best predictor of organizational innovativeness in IAU as perceived by the faculty members?

6. Which type of organizational innovativeness is the best predictor of organizational effectiveness in IAU as perceived by the faculty members?

1.6 The Significance of the Study

In the twenty-first century, the leaders of higher educational institutions encounter growing demands for organizational effectiveness, accountability, efficacy, and outcomes with added values. In addition, higher educational institutions need graduates with high levels of standard. On the other hand, training courses are demanded by both private and governmental businesses, industries and organizations (Anderson, 2000). Defining organizational effectiveness in higher educational institutions is a complicated matter. This is due to the nature of the institutions themselves; they are very different from profit-driven organizations (Kwan & Walker, 2003). As noted by Cameron and Whetten (1983), the loosely coupled nature of higher educational institutions and the lack of precise effectiveness indicators for success make the evaluation of effectiveness difficult.

Colleges and universities use various measures of institutional performance to assess quality, such as persistence, graduation, and employment rates, endowment level, faculty/student ratio, average admissions test scores, physical plant facilities, and technological resources (Braxton, Hirschy, & McClendon, 2011; Klein, Kuh, Chun, Hamilton, & Shavelson, 2005). Clearly, not only are the range of activities used to ensure institutional effectiveness varied, but these measures of institutional quality are also diverse and complex (Dela Cruz, 2011).

A key to achieving organizational effectiveness is faculty support and participation in all institutional effectiveness initiatives. Despite their multiple roles and responsibilities, faculty members, in any type of university, engage in three primary types of activity, including teaching, research, and service (Middaugh & Isaacs, 2003). Clearly, faculty involvement in effective institutional activities requires examination of faculty perceptions to improve institutional productivity, an idea earlier supported by K. M. Schilling and K. L. Schilling (1998).

On the other hand, over the last three decades, organizational culture has been considered significantly related to organizational effectiveness. Beside organizational hierarchy, managers should focus on organizational culture in order to achieve organizational goals and enhance organizational effectiveness and productivity (Shariatmadari, 2008).

Organizational culture is seen as affecting individual intrinsic motivation that influences organizational innovation. An organization that values creativity and innovation is oriented toward risk. It creates in its employees a feeling of
self-esteem and interest in what they are capable of doing; employees’ involvement in innovation is highly valued in such an organization (Amabile, 1996). Innovative universities can attract new and various human, knowledge, and financial resources. Knowledge originating from other sources is adapted to local conditions in innovative universities. Such organizations can integrate previously separate areas of technological activity as well as unlock and redirect knowledge that is already present in the region but not being put to productive use (Lester, 2005).

Many studies have investigated organizational culture in industrial or commercial organizations, but few researchers have focused on educational issues, especially higher education (Ferreira & Hill, 2008). Moreover, most of the studies on organizational culture in higher education have been done in developed countries like USA, UK, and Australia which highly support the CVF. Researchers in Asian countries have paid less attention to this issue (Kwan, 2002).

In Iran, the studies on higher education have focused on the correlation between organizational culture and different factors such as faculty members’ job satisfaction (Sardari, 2005), mental stress and job stress of faculty members (Danesh Pajooh, Hossieni, Dehbozorgi, & Zare, 2005), leadership methods (Amin Mozaffari, Pardakhtchi, Yamini Douzi, & Zokaee, 2008), unity of individual and organization (Ardalan et al., 2008), ethical behavior of personnel (Safarpoor & Siadat, 2012), organizational learning (Ghorbani & Sabbagh, 2011), and selecting faculty members (Sorayaei, Seifi-Divkolaii & Far, 2007). As the review of the literature shows, in Iran less attention has been paid to the impact of organizational culture on the innovativeness and effectiveness of higher educational institutions.

Based on studies from Ferreira and Hill (2008), governmental and private universities have remarkable differences in their procedures and structures. They may also be different in organizational culture. Universities, which are economically and managerially independent, may have closer relation with needs and external situations. With respect to the role of IAU in higher education in Iran and its economic and managerial independence, it seems necessary to investigate the organizational culture as an important factor related to organizational innovativeness and effectiveness.

Islamic Azad University needs to upgrade its organizational effectiveness to be able to survive and compete with governmental universities in Iran and foreign universities abroad (Kazemi, 2005). It is expected that the findings of this study can help IAU administrators in identification and application of factors that can increase the effectiveness of the organization.

1.7 Limitation of the Study

In the present study, three variables are investigated based on the perception of faculty members. Hence, the respondents’ degree of accuracy in answering the questions related to four student-centered dimensions of
organizational effectiveness may affect the precision in measuring this variable. Another limitation of the study is that it is to be carried out at IAU in Pars Province. As a result, the findings of this study cannot be generalized to IAU branches in other provinces.

1.8 Definition of Terms

Prior to reviewing the related literature in the next chapter, the key words related to the study are defined both conceptually and operationally.

Organizational Culture

Cameron and Quinn (2006) defined organizational culture as some valuable notions such as the language and symbols, the dominant leadership styles, the definition of success, the procedures, and routines that make an organization unique. In this study, organizational culture refers to the perceptions held by university teaching staff as regards their organizational context. It is conceived of four culture types: clan, adhocracy, hierarchy, and market. The focus of attention of clan is the inside maintenance with flexibility, attention and sensitivity to customers and people. Adhocracy stresses external focus with a high degree of individuality and flexibility. Hierarchy culture emphasizes the internal maintenance requiring control and stability. Finally, the market culture concentrates on outside positioning requiring control and stability. In the current study, for measuring organizational culture, the Organizational Culture Assessment Instrument (OCAI) developed by Cameron and Quinn (2006) was translated into Persian.

Organizational Innovativeness

According to West and Farr (1990), the organizational innovativeness is 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 or group or any other bigger organizations. In the present study, the organizational innovativeness is defined as the frequency of times each type of innovation (technical and administrative) is actually implemented in the organization during the past 3-year-long period. Administrative innovation in this study refers to the implementation of a structure, procedure, system, or process in the administrative core of an organization that is new to the prevailing organizational practices. On the other hand, technical innovation is defined as the implementation of a service, program, or product that is new to the prevailing organizational practice. Organizational innovativeness is measured by a 17-item questionnaire. This instrument was developed by the researcher based on studies from Bordia, Kronenberg and Neely (2005), Jaskyte (2002) and Obenchain (2002).
Organizational Effectiveness

Organizational effectiveness can be defined as capability of an institution in reaching its set aims and the individual objectives together with the final goals of the organization (Slack, 1997). A unit which is individually ineffective in terms of cooperation with the rest of the organization is doomed to failure (Gigliotti, 1987). In this study, organizational effectiveness is defined as the faculty member’s perception of the nine dimensions of organizational effectiveness to describe the current situation of their university. An 81-item questionnaire was developed based on literature (e.g. Allen, 2011; Betebenner & Linn, 2010; Kwan & Walker, 2003; Lejeune & Vas, 2009) for measuring the organizational effectiveness. Based on Cameron’s (1978) model these dimensions are:

1. Student educational satisfaction: This criterion shows how much students are happy with their academic progress and experiences.
2. Student academic development: This criterion shows the extent to which students grow and attain academic achievements.
3. Student career development: This criterion determines how much students make progress in their jobs with a special attention to their work progress and the opportunities they are given by the university.
4. Student personal development: This criterion indicates how much a student’s social, emotional and cultural aspects develop and to what extent the institution plays a role in this development.
5. Faculty satisfaction with employment: This criterion determines to what extent administrators and the members of the faculty are satisfied with their jobs at the university.
6. Faculty quality and occupational progress: This criterion shows how much a faculty develops and to what degree occupational quality is achieved in addition to the institution’s contribution to this purpose.
7. System community interaction and openness: This criterion indicates the significance of interaction with, service in and adaptation to the external settings.
8. Capability in obtaining resources: This criterion deals with the institutions’ capability in obtaining resources from outside; the sources can include the faculty and good students, financial support and so on.
9. Organizational health: This criterion shows viability, vitality, and benevolence in the processes and practices inside the institution.
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