

Surveying the Relationship between Organizational Culture and Strategic Thinking

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ABSTRACT: Today, the role of organizations is well known in the process of community development and the question has always been put that why do some organizations succeed and others fail in their duties. This is due to the potential impact of organizational culture on employee's behavior and it has impact on human behavior via designing strategically intelligently. The goal of this research is to survey the relationship between organizational culture and strategic thinking in company of industrial estates in Hamedan province. From standpoint of goal, the research is an applied research and from standpoint of method, the research is survey – descriptive. Standard organizational culture questionnaire and strategic thinking questionnaire were used to collect data. Statistical population is the employees working in company of industrial estates in Hamedan province. 90 participants were selected as sample using Cochran formula and simple randomly sampling from total of 200 employees. The reliability of the research was approved by academics and experts. Viability was calculated using Cronbach' alpha which 0.834 and 0.840 were for strategic thinking and culture, respectively. Because they are higher than 0.7, then they will be approved. SPSS software was used to analyze the data. The results indicate that there is a positive significant relationship between organizational culture and strategic thinking with 95% confidence and there is also a positive significant relationship between four dimensions of organizational culture and strategic thinking.

Key words: Organizational Culture, Strategic Thinking, Company of Industrial Estates of Hamedan Province

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INTRODUCTION

Culture is an important component of the internal environment. Culture of an organization can be the biggest weakness and strength factor. Some organizations have been successful in creating the cultures which are compatible completely with organizational needs (Harrison, 2006). Organizational culture has a profound impact on organizational decisions and hence it should be considered when reviewing internal factors. The culture will form the foundation of strategies and affects on the elements of the communication process and strategic relationships. If the organization is able to implement strategies to take advantage of its strengths, in that case, management can easily and very fast to do and perform any changes. But if the culture does not approve strategic changes, it will lead to decrease efficiency or even will be unproductive. It is possible organizational culture disagrees against new strategies which will lead to confusion and confusion. Organizational culture should be such that people take interest in formulating strategies (David, 2002). The culture shapes organizational approaches, integrates organizational capabilities as a whole, facilitates or hampers organizational goals and provides solutions for solving organizational problems (Peters and Waterman, 1981). Beside, strategic thinking had been received attention in more than a decade in the field of strategic management. Many studies point to the importance of having strategic thinking ability for managers. Strategic thinking is enumerated as one of two main capabilities for the leaders have outstanding performance (Kallis, 2000). The role of strategic thinking is to attempt for

innovation and imagination of new and very different future for organization which may lead to a redefinition of the core strategy or the industries in which the company is operating. Strategic thinking is a continuous process (Ingrid Bonn, 2005) that its goal is to remove vague and giving a concept to a complex environment. This process includes the analysis of conditions and also combination creatively of analysis results in form of a successful strategic plan.

In this study, we sought to examine the relationship between organizational culture and strategic thinking.

Theoretical Framework

Organizational Culture: Organizational culture is a set of shared concepts or the properties form dominant value system on organization and causes to organizational differentiation from other organizations (Rajae Pour & Lafti, 2010). Organizational culture is a set of values, beliefs, concepts, deductions and thinking methods which organizational members have common aspects in them (Dargahi et al., 2010).

Denison's Model (2000): Used model in this research is Denison's model which has been put in 2000. Daniel Denison has conducted the researches about organizational culture and change in organization. According to him, culture dimensions have four main aspects (job involvement, compatibility, adaptability and mission) which each of these dimensions are measured through three proxies (Rahim Nia and Ali Zadeh, 2009).

1. Job involvement (participation): these properties are measured via three proxies of

empowering, team – building and development of capabilities.

2. Adoptability: this property is measured through three proxies of making change, customer orientation, organizational learning.

3. Similarity (compatibility or integration): this property is measured through three proxies of fundamental values, agreement and coordination and integration.

4. Mission: this property is measured through strategic tendency and direction, goals, purposes and landscapes.

Strategic Thinking

According to Hamel, strategic thinking is the formulation artistically of strategy based on creativeness, discover and comprehension of value – building factors in business (Lowton and Tavaloli, 2005).

Pattern of Strategic Thinking Elements

Liedtka (1998) proposes five main pillars for strategic thinking:

- **System Perspective:** a strategic thinking should be a comprehensive model of value chain and understands relationships between its components (Liedtka, 1998).

- **Inter Focus:** To achieve the goals and aspirations, all employees should have the firm determination and spend their energy for obtaining strategic goals in long term (Liedtka, 1998).

- **Intelligent Opportunism:** this aspect refers to the sagacity of strategic thinkers about environment. In addition to vision and principal orientation, an organization should pay attention to changes in the business environment and the opportunities resulting from it (Liedtka, 1998).

- **Thinking in Time:** according to this perspective, organization does not live merely at the present; rather, the past of organization is that drives it from the present to the future (Liedtka, 1998).

- **Hypothesis Drive:** a strategic thinker should be able to hypothesize creatively, test wisely it and apply it in a complicated environment (Liedtka, 1998).

According to him, strategic thinking is required an understanding of these elements and recognition of the relationship between them. This understanding enables organizations to:

- Creates more value for customer than rival.
- Follows novel (inimitable) methods.
- Adapts with the developments and changes of environment.

Research Background

In his article, Wiewiora et al. (2013) surveyed organizational culture and knowledge sharing in

project-oriented organizations. They believed that there is a direct relationship between organizational culture and knowledge sharing. It is supported by many researches. But the kind of organizational culture for sharing information has not been well determined. The researchers considered four cultures (hierarchy, tribal, market, ad hoc) to select appropriately a culture for project – oriented organizations. After reviewing 4 sample companies, they founded that knowledge sharing is affected by culture and ad hoc culture is compatible with culture in project-oriented organizations.

Skerlavaj et al. (2009) considered the effect of culture of learning organization on organizational commitment and interpersonal trust. The main goal of this research was to survey the effect of culture of learning organization on organizational commitment and interpersonal trust. The research tried to consider type of effective organizational culture on capacity of hospital for innovation via attracting new technology and the importance of this capacity in successful implement of IT.

Research Method

From standpoint of goal, this research is an applied research and from method point of view, the research is correlation research. The statistical population is all employees (300 persons) working in company of industrial estates in Hamedan province.

Simple randomly sampling was used based on the nature of research and studied statistical population. Cochran formula was used to select sample volume. 90 participants were selected as sample volume. At first, the questions of strategic thinking questionnaire were considered to determine reliability and then the reliability of questionnaire was considered using confirmatory and exploratory factor analysis, KMO test and Bartlett. Table 1 provides the reliability of strategic thinking questionnaire. For per-testing, Cronbach' alpha coefficient was used to calculate the viability of strategic thinking and organizational culture questionnaires.

Table 1. The reliability of strategic thinking questionnaire using exploratory factor analysis

Factor	KMO	Bartlett	Cumulative percentage of variance	Factor loadings
Thinking	0.797	Sig=0.000	86.12	All above 0.5

Table 2. Amount of Cronbach' alpha of organizational culture questionnaire

Row	Variable	Number of questions	Amount of Cronbach' alpha
1	Organizational	36	0.840
2	Strategic thinking	23	0.834

According to Table 2, since amount of Cronbach' alpha is bigger than 0.7, then the viability of organizational culture and strategic thinking questionnaires is acceptable and the questions need not be removed.

Theoretical Model of Research

According to the mentioned materials and the overall structure of the research, at first, the

independent variable (organizational culture) is classified into four dimensions (job involvement, compatibility, adaptability and mission) based on Davis's model and then the effects of each of these variables will measure separately on independent variable (strategic thinking) under four sub - hypotheses. Liedtka's model (1998) will be used to study strategic thinking.

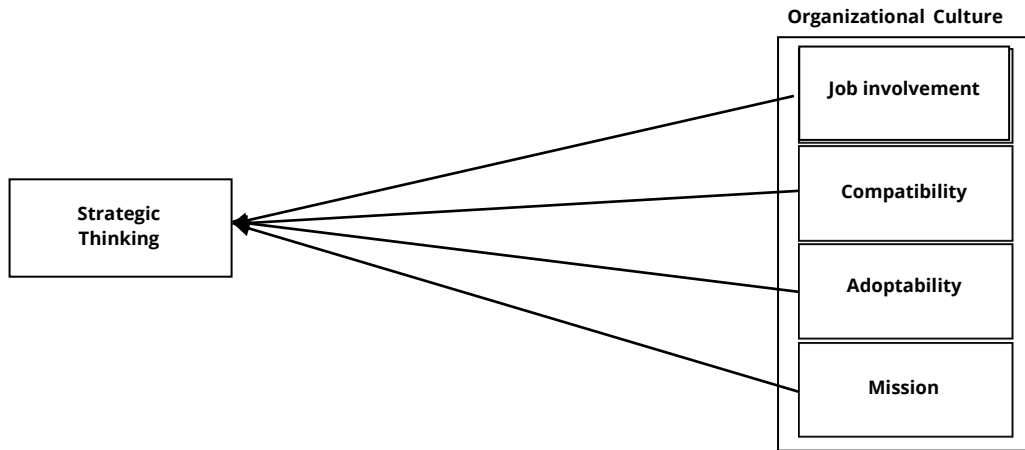


Figure 2. Conceptual model of research

RESULTS

Research Hypotheses

Main Hypothesis: there is a significant relationship between organizational culture and strategic thinking in company of industrial estates in Hamedan province.

$H_0 : \rho = 0$ There is not a significant relationship between organizational culture and strategic thinking.

$H_1 : \rho \neq 0$ There is a significant relationship between organizational culture and strategic thinking.

According to following tables, if significance level is bigger than error amount, H0 is supported, while if significant level is smaller than error amount, H1 is supported.

Table 3. Pearson's correlation coefficient between organizational culture and strategic thinking

Organizational Culture	Strategic Thinking	
	Pearson's Correlation	0.856**
	Sig	0.000
	N	90

P < 0.01**

According to above table, since significance level is smaller than 0.05, then H0 is rejected and H1 is supported. It implies that there is a relationship between organizational culture and strategic thinking in listed companies. As can be seen, there is a direct significant relationship between organizational culture

and strategic thinking in confidence level of 95% and its correlation coefficient is 0.856.

Sub - Hypotheses of Research

Main Hypothesis: there is a significant relationship between job involvement and strategic thinking in company of industrial estates in Hamedan province.

$H_0 : \rho = 0$ There is not a significant relationship between job involvement and strategic thinking.

$H_1 : \rho \neq 0$ There is a significant relationship between job involvement and strategic thinking.

Table 4.

Job Involvement	Strategic Thinking	
	Pearson's Correlation	0.636**
	Sig	0.000
	N	90

P < 0.01**

According to above table, since significance level is smaller than 0.05, then H0 is rejected and H1 is supported. It implies that there is a relationship between job involvement and strategic thinking in listed companies. As can be seen, there is a direct significant relationship between job involvement and strategic thinking in confidence level of 95% and its correlation coefficient is 0.636.

Second Hypothesis: there is a significant relationship between compatibility and strategic

thinking in company of industrial estates in Hamedan province.

$H_0: \rho = 0$ There is not a significant relationship between compatibility and strategic thinking.

$H_1: \rho \neq 0$ There is a significant relationship between compatibility and strategic thinking.

Table 5. Pearson's correlation coefficient between compatibility and strategic thinking

Compatibility	Strategic thinking	
	Pearson's correlation	0.831**
	Sig	0.000
	N	90

P < 0.01**

According to above table, since significance level is smaller than 0.05, then H_0 is rejected and H_1 is supported. It implies that there is a relationship between compatibility and strategic thinking in listed companies. As can be seen, there is a direct significant relationship between compatibility and strategic thinking in confidence level of 95% and its correlation coefficient is 0.831.

Third Hypothesis: there is a significant relationship between adaptability and strategic thinking in company of industrial estates in Hamedan province.

$H_0: \rho = 0$ There is not a significant relationship between adaptability and strategic thinking.

$H_1: \rho \neq 0$ There is a significant relationship between adaptability and strategic thinking.

Table 6. Pearson's correlation coefficient between adaptability and strategic thinking

Adaptability	Strategic Thinking	
	Pearson's Correlation	0.776**
	Sig	0.000
	N	90

P < 0.01**

According to above table, since significance level is smaller than 0.05, then H_0 is rejected and H_1 is supported. It implies that there is a relationship between adaptability and strategic thinking in listed companies. As can be seen, there is a direct significant relationship between adaptability and strategic thinking in confidence level of 95% and its correlation coefficient is 0.776.

Fourth Hypothesis: there is a significant relationship between mission and strategic thinking in company of industrial estates in Hamedan province.

$H_0: \rho = 0$ There is not a significant relationship between mission and strategic thinking.

$H_1: \rho \neq 0$ There is a significant relationship between mission and strategic thinking.

Table 7. Pearson's correlation coefficient between mission and strategic thinking

mission	Strategic thinking	
	Pearson's correlation	0.788**
	Sig	0.000
	N	90

P < 0.01**

According to above table, since significance level is smaller than 0.05, then H_0 is rejected and H_1 is supported. It implies that there is a relationship between mission and strategic thinking in listed companies. As can be seen, there is a direct significant relationship between mission and strategic thinking in confidence level of 95% and its correlation coefficient is 0.788.

CONCLUSION

Organizational culture and strategic thinking are two important topics which can be regarded as a competitive advantage in today's world and provides successful solutions to managers. An organizational culture should support the commitment which individuals and organization members have on a common goal. It should increase competency, passion and interest among managers and employees. If a strategy is not supported by organizational culture, it is possible to be resisted by organizational members. As a result, besides being relevance of the strategy with organizational conditions and market, it should be supported by organizational culture.

First Sub - Hypothesis: First Sub - Hypothesis claims that there is a significant relationship between job involvement and strategic thinking in company of industrial estates in Hamedan province.

According to the obtained results from data analysis in season 4, there is a significant relationship between job involvement and strategic thinking in 95% confidence level and its correlation coefficient is 0.636.

Consequently, the relationship between two variables is significant. In this regard it should be stated, if job involvement is reinforced in organizations, it will lead to execute successfully the strategy. If organizations want to move to the effectiveness, they should empower their employees, regulates the organization in form of teamwork and develops the capabilities of human resources at all levels, in turns, it increases commitment among the employees and directs them towards achieving organizational goals and at this time that the employees feel themselves as a part of the

organization and identify themselves as organizational representatives.

Second Sub – Hypothesis: the hypothesis claims that there is a significant relationship between compatibility and strategic thinking in company of industrial estates in Hamedan province.

According to obtained results from data analysis in season 4, it can be claimed that there is a significant relationship between compatibility and strategic thinking and its Pearson's correlation coefficient is 0.831. As a result, there is a positive relationship between two variables. It should be noted that compatibility should be reinforced to the strategy is executed successfully. When leaders and their employees have special skill in achieving to fast agreement and there is integration and coordination in their activities, this shows there is a strong culture in the organization. Such culture is considered as effective culture.

Third Sub – Hypothesis: the hypothesis claims that there is a significant relationship between adaptability and strategic thinking in company of industrial estates in Hamedan province.

According to obtained results from data analysis in season 4, it can be claimed that there is a significant relationship between adaptability and strategic thinking and its Pearson's correlation coefficient is 0.776. As a result, there is a positive relationship between two variables. The organizations are adaptable organizations; they are directed through their customers and the interests and preferences of our customers, which ultimately lead to making a product or providing a service to them. These organizations store their mistakes as future experiences. They are risk – takers. As a dynamic process, organizational learning enables the organization adopts fast with the changes.

Fourth Sub – Hypothesis: the hypothesis claims that there is a significant relationship between mission and strategic thinking in company of industrial estates in Hamedan province.

According to obtained results from data analysis in season 4, it can be claimed that there is a significant relationship between mission and strategic thinking and its Pearson's correlation coefficient is 0.788. As a result, there is a positive relationship between two variables. Organizational mission determines where the organization is (current situation) and where will the organization be (destination). Successful organizations are the organizations have clear comprehension from goals and destination, so that they can provide appropriate definition for their

strategic goals. The organizations have to change their mission, they also have to make changes in their strategies.

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