

The Influence of Organizational Cultural Elements on Corporate Responsibility dimensions

(A case study in Islamic Republic of Iran Broadcasting Organization)

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Abstract—this study investigates the influence of organizational cultural elements and corporate responsibility dimensions, using Iran's Broadcasting Organization as research case study. This paper is divided into two categories. Topics related to organizational culture and organizational culture management are discussed followed by the influence of organizational cultural elements on implementing corporate responsibility dimensions. Initially, issues relevant to the literature review according to valid models and research papers are assessed. Then, issues related to organizational cultural elements based on Baron and Greenberg's model are discussed followed by social responsibility indexes based on Denison's model and relevant modifications by carrying out interviews with organizational experts in these fields. Also, a questionnaire is designed based on the mentioned elements and the research hypothesis is assessed by utilizing Friedman's variance analysis and binomial tests. The results obtained from this paper conclude a significant relationship between organizational cultural elements such as organizational norms, values, science, technologies and corporate responsibility dimensions specifically social responsibilities.

Keywords-Cultural management; organizational culture; responsibility dimensions; CSR

I. INTRODUCTION

Organizational culture is a vital component in organizational success and has established itself in management such that experts rely on it to present applicable solutions to achieve organizational objectives to the extent that it is considered an important factor for the development of many countries. Previously, managers in organizations paid attention to six factors for productivity which included: workforce, capital, technology, primary materials, management skills and the market. Today, researchers in the field of management believe that organizational culture is an even more important factor which shapes, governs and guides the mentioned six factors.

Management researchers have centralized their studies on organizational social responsibilities since the 1950s. It is clear that organizations performances effect the outside environment greatly and these effects on society cannot be neglected. Social responsibilities entail social benefits. Therefore, organizations benefits and losses should not harm society in any way. In other words, organizations should not consider themselves independent from the outside environment but should consider themselves a part of the environment and base their objectives and activities in line with community ideals and welfare. Today, all managers must take actions consistent with accepted community values. Organizations that cannot adapt themselves with such values will not be successful. Peter Drucker, one the prominent scholars of management states that private organizations must accept their social roles and responsibilities to maintain their legitimacy and survival in their environment. This social role emanates from the principle that 'each person is responsible for their actions and should be accountable for any intentional or unintentional harm caused to others'. Organizations are no exception to this principle and must respond to their adverse social impact. In this context, by identifying organizational cultural elements and their influence on corporate responsibilities, they can be matched with corporate objectives and if necessary coordinated with organizations macro objectives.

II. THEORETICAL FRAMEWORK AND RESEARCH LITERATURE

Various studies and research indicate that culture effects organizational performance, individual behavior, strategies and objectives, motivation and job satisfaction, innovation and creativity, decision making processes and personnel participation, dedication and commitment, discipline, hard work and anxiety levels. Also, successful organizations have an effective and strong culture; generally, there is no phenomenon far from organizational culture's roles and influences especially

management culture which is extremely influential on determining objectives and organizational systems.

The remarkable success of organizations in recent decades with minimum material on one hand, and the failure of financially strong organizations on the other hand are indications of the significant roles non-materialistic factors have on organizational development.

In addition to horizontal and vertical surfaces, units and hierarchy, an organization is similar to an individual in terms of having a personality with flexible, conservative, innovative etc characteristics. In an organization, employees agree to a particular pattern of behavior which is considered the organizational culture. Therefore, each organization has a unique culture which shows individuals a way of understanding events. An organizational culture can be utilized as an effective tool to guide and strengthen organizational behaviors.

Organizations atmospheres are changing rapidly due to organizations turning to worldwide branding and the creation of multinational organizational branches. Most organizations are completely aware of social responsibilities direct affect on economy and integrate these responsibilities with their business and management processes to create a positive effect on society while boosting their reputation. Following this approach not only produces profit, but also stabilizes organizations future.

Direct advantages arising from social responsibility for organizations include:

- Increase brand value, brand name popularity
- Improved access to financial resources
- Safer workforce
- Risk management and effective supervision on organizational issues
- Enthusiastic personnel
- Customer loyalty
- Promote trust and confidence of parties concerned

III. ELEMENTS OF ORGANIZATIONAL CULTURE

George Gordon defines organizational culture as a set of organizational assumptions and values that are widely respected and lead to certain behavioral patterns. Baron and Greenberg define organizational culture as individual's behavior in society or employees' behavior in their work environment which is revealed in their interactions with others, along with their ways of thinking. In terms of the origins of organizational culture, they believe that a few factors aid in shaping organizational culture. Firstly, an organizational culture may be introduced in at least one section of the organization by the founders who have strong values, clear vision and dynamic personalities. Secondly, the organizational culture may be developed outside the organizations experiences in an outside environment. Thirdly, the culture may develop based on maintaining effective working relationships. Overall, organizational culture is shaped by influential individuals in the organization, external environment, business nature and personnel. The smallest topic or definable unit is called a

cultural element. Researchers have various definitions of cultural elements. Bruce Quinn believes cultural elements consist of materialistic (technical), knowledge and basic rules elements. Lesley White states each cultural element consists of industrial (technology), social, ideological and attitudinal elements. Therefore, to understand the processes and cultural changes, main elements are explained below along with their effects on corporate responsibilities:

1) *Norms*: Consistent behavioral criteria expected by people. The most common types of norms include popular traditions, etiquette, ethics and laws.

2) *Symbols*: Symbols are communicative signs that transfer awareness via the simplest form. Sociologists believe that with these symbols, society and masses can be organized and led towards sustainable development. Symbols play a great role in value creation in the process of socialization.

3) *Science and Technology*: Knowledge or technology is considered one of the strongest elements of a culture. Undoubtedly, the role of science and technology are vital in the lives of human beings. Social technologies teach people to establish, maintain and implement the society's technical and institutional aspects. The element of technology can be used as an instrument to alienate non dynamic cultures. This phenomenon is currently taking place in third world countries.

4) *Roles*: The understanding of a society's culture is required to analyze the roles and behaviors of individuals. These roles determine individual and social communications. Each individual's social conditions along with their social roles create specific behavioral patterns. These are the same behavioral patterns expected from various social statuses and careers.

5) *Insights*: A nation's culture is influenced more than anything by insights, beliefs, and ideologies. Insights are formed by beliefs, values and knowledge.

6) *Values*: The most important part of a culture consists of criterion and ruling principles. Society's fundamental values are also shaped by these principles. People make judgments on other's behaviors, words and actions based on their values. Values show people what is socially acceptable and unacceptable. Some beliefs are related to minor things in everyday life, and some are related to issues that are of great importance according to individuals, organizations or society.

7) *Structures*: Social structures show interactive roles to an extent but also specify duties and rights of individuals organized in groups. This is also true in organizations such that the main institutions shape the types and limits of these structures. Also, just as the inability of social structures render the cultural system vulnerable; organizations structural inefficiencies will fail the organizations in achieving main objectives.

IV. DIMENSIONS OF CORPORATE RESPONSIBILITY

The first dimension of corporate responsibility is the economic dimension where economical measures and activities take place. In other words, the main responsibility of each firm's economical dimension is to make profits. In reality,

organization's primary role exists in this dimension. The second dimension is the legal dimension and organizations are required to operate within legal frameworks. Society determines these laws and all citizens and organizations are responsible to respect these laws as social values. Social responsibilities are also known as social commitments. The third dimension of corporate responsibilities is the social dimension which consist of a set of duties and obligations that organizations must compromise to in order to aid all aspects of society to protect national interest and unity. The fourth dimension is the ethical dimension. It is expected of organizations to respect people's beliefs, norms and values just as other members of society do so and to consider moral obligations when carrying out their activities. The ethical dimension responds to social responsibility. According to Griffin and Barney, social responsibilities are a set of duties and obligations that organizations must take into account to protect and aid the

cooperate with each other to align economic interests with the environment on one hand and to ensure the success, growth and sustainability of businesses on the other.

V. THE CONCEPTUAL MODEL

In this paper, upon the assessment of various CSR models, Denison's model was selected as the theoretical model. This model was selected because it is one of the newest models compared to similar models and it is behaviorism based. Also, the completeness of this model in terms of measurement indices of social responsibilities is another reason for its selection. Denison's model can be utilized at all organizational levels. In figure 1, the conceptual model is shown to investigate organizational culture elements influence on corporate responsibilities.

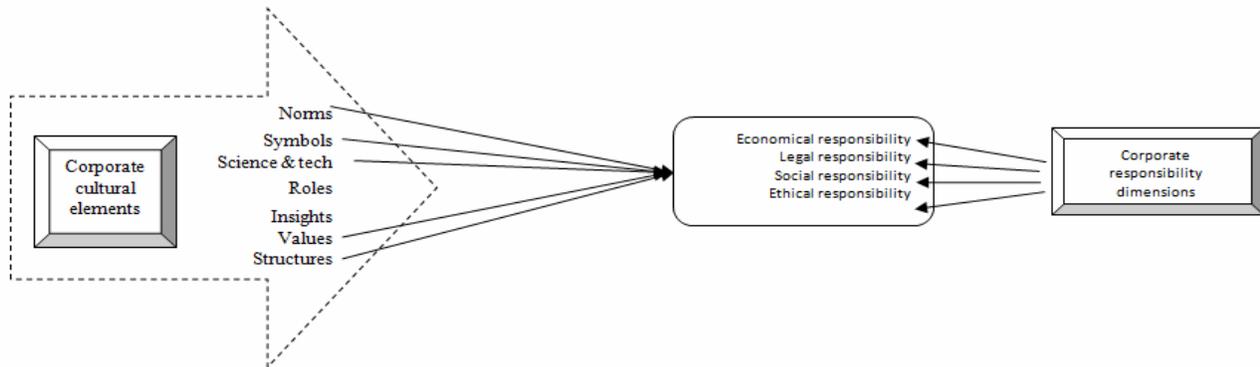


Figure 1. Conceptual model

society in which their activities are carried out in. French and Sawerd state that social responsibility is a duty for organizations not to cause adverse effects on the lives of employees. These duties include not polluting, not discriminating against in employment, addressing immoral activities and informing customers of the products quality. Denison has defined principles for social responsibilities which include:

- Society: Efforts to create advantages for society and encourage relevant organizations to operate in line with the interests of society.
- Environment: Encourage organizations to respond to their environment in a way to resolve dissatisfaction and ambiguities.
- Ethics: Establish an ethical charter for organizations and efforts to practice ethical principles.
- Financial responsibility: To be responsible for the property of those invested in the organization.

CSR¹ is beyond the minimum requirements of legal frameworks in which organizations operate within. In fact the CSR approach is superior to the business of an organization such that it considers the organization's social impact both domestically and externally. The main goal of CSR is to unite all sections including public, private and voluntary agencies to

VI. RESEARCH OBJECTIVES

The main objective of this research is to investigate the level of influence corporate cultural elements have on an organizational responsibility dimension called corporate social responsibility and to present strategies to increase corporate social responsibilities.

VII. RESEARCH QUESTIONS

The main question is if there are any significant relations between corporate cultural elements and corporate social responsibilities. In order to answer the main question, seven sub research questions are presented separately. How much influence do cultural elements (norms, symbols, science and technology, roles, insights, values and structures) have on corporate social responsibilities?

VIII. RESEARCH HYPOTHESIS

The main hypothesis is that there is significant relationship between corporate cultural elements and employees social responsibilities in Iran's Broadcasting Organization. Also, sub hypothesis are stated below:

- a) There is significant relationship between existing norms in Iran's Broadcasting Organization and corporate social responsibilities.

¹ Corporate Social Responsibility

b) There is significant relationship between existing symbols in Iran's Broadcasting Organization and corporate social responsibilities objectives.

c) There is significant relationship between existing technologies in Iran's Broadcasting Organization and corporate social responsibilities objectives.

d) Existing values are effective in achieving objectives.

e) The structure of Iran's Broadcasting Organization is appropriate to achieve its social responsibilities.

IX. RESEARCH VARIABLES

In this paper, based on the assessment of corporate cultural elements in increasing corporate social responsibilities, the independent variable is defined as Iran's Broadcasting Organization's cultural elements and the dependent variable is defined as the social responsibility dimension.

X. RESEARCH METHOD AND TYPE

In this research, two methods of 'questionnaires' and 'expert opinion investigation' are used to test the hypothesis and ordinal scale was used to assess research variables. Also, to investigate the hypothesis, descriptive statistics (mean, standard deviation and correlation) and inferential statistics (variance analysis, covariance analysis, regression and factor analysis) are used. This research is applicable and was carried out using cross-surveys. For the inferential statistics, parametric and nonparametric statistics are prominently used. Also, the student's t test and one sample binomial test were used for the parametric test to determine the mean confidence interval. The statistical population consisted of Iran's Broadcasting Organization's personnel and random sampling was used for various occupational levels such as management, assistant managers, department supervisors, senior experts and general staff. By evaluating 100 questionnaires, Cronbach's alpha was calculated to be 76.39 which indicate the appropriate reliability of the questionnaires.

XI. RESULTS ANALYSIS

In order to assess the main hypothesis, the following hypotheses were evaluated:

- A. Corporate cultural elements do not affect Iran's Broadcasting Organization's social responsibilities. H 0.
- B. Corporate cultural elements affect Iran's Broadcasting Organization's social responsibilities. H1.

To test the main hypothesis, binomial testing was implemented. According to results from the statistical results, the significant number obtained was 0.0004 which is less than the standard 0.05 therefore H0 is not validated at 95% confidence level. In other words, corporate cultural elements are effective in increasing corporate social responsibility.

Sub-hypotheses statistical tests are described in the following tables:

TABLE I. CENTRAL AND DISPERSION PARAMETERS FOR EACH ORGANIZATIONAL CULTURAL ELEMENT

Index	Average marks	Standard deviation
Norms	2.78	0.7
Symbols	3.5	0.7
Science & Technology	4.56	0.9
Values	3.35	0.34
Structure	3.51	0.89

TABLE II. SINGLE SAMPLE T TEST FOR EACH CORPORATE CULTURE ELEMENT INDEX

Index	t-statistics	Freedom degrees	Significant value
Norms	9.287	3.2	0.002
Symbols	13.4		0.07
Science & Technology	17.45		0.0005
Values	12.1		0.0003
Structure	13.11		0.06

According to the results above, three of the indexes gained a significant mark of 0.0002, 0.0005 and 0.0003 which are less than the standard 0.05. Therefore, hypothesis H0 at 95% significance is not validated. In other words norms, science and technology and values influence corporate social responsibility. The symbols and structure indices gained marks of 0.07 and 0.06 which are higher than the standard 0.05 therefore they do not influence corporate social responsibilities.

XII. CONCLUSION

Corporate cultural elements identification is a priority for organization managers because with comprehensive understanding of these elements and characteristics, management can prepare short term, medium term and long term programs to meet competitive market changes and to increase survival rate and success probability. Organizational maturity is considered an organized process and is proportionate to corporate cultural changes. Any organizational changes without considering corporate culture will be rendered ineffective. It can be stated that achieving organizational objectives depend on factors including employees' corporate culture within organizations. Therefore, cultural elements must be identified along with their influences on the organization to achieve organizational objectives and employee satisfaction. Following the validation of sub-hypotheses 1, 3 and 4 which also validate the main hypothesis; it is obvious that there is a significant relationship between corporate cultural elements in Iran's Broadcasting Organization with corporate responsibility dimensions in particular corporate social responsibilities.

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