# To determine the impact of organizational culture on customers' satisfaction

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## ABSTRACT

As these days, the survival of organizations is totally depended on customers and customer s, organizations are trying to gain their customers' attentions and draw their interests in order to keep their finger on the pulse of the market, and also to ensure their own sustainable business as well. But it must be noted that customer-orientation will not happen unless the organization has already had its own rich and supportive culture and be provided for customer-orientation .Therefore, this study examines the impact of organizational culture on customers' satisfaction in Post Company. The research, benefiting from Morgan's Table, is a descriptive-survey research of 322 customers of Post Company and also, from the point of view of data collection methods; this study is considered a fieldwork research and the sampling method used, is Simple Random Sample method. Safe to say that the means of collecting data were questionnaires along with referring to the documents and evidences. Because of the abnormality of data and also to analyze the data itself properly, binomial test has been employed, and Friedman Test is used for classifying and ranking the factors. The results indicate a strong influence of organizational culture on customers' satisfaction. Since the ranking results have shown that facts, so it is recommended that employees should get involved in organizational processes so long as the organization can get the best rank it can, as far as satisfaction of customers is concerned.

## 1. Introduction

Today's world is the world of efforts of the community organization to achieve sustainable-competitive advantages. The advantage that ensures survival of an organization even in the context of uncertainty and unavoidable risks [5]. To achieve such a goal requires having attention to some circumstances and phenomena, noteworthy parameters without which the prosperity of organizations is nearly impossible. The very basic purpose of organizations, from the beginning, is to provide goods and services. Undoubtedly, in today's competitive world, organization only through gaining their customers' satisfaction, can achieve prosperity and proper develop. It should be noted that customers' satisfaction is a variable due to which is so many reasons. Such these efforts, utilizing best management tools and developing customer-oriented approach taken by organization, that have been employed to get best performance has confirmed that ' winning customers' satisfaction is one of the most important sources and a big concern for organizations to become a successful one'. That is why institutions are going to identify the factors that influence their customers' satisfaction Strategies that service organizations have hired them are planned to support the customer-orientation principles as best as they can; but strategies of one organization should be only tailored to that organization and be also different from

another organization. It is because each organization has a unique-required culture for its own. Culture in which an organization has had behaved so far towards its services and beliefs. So organizational culture is the personality and essence of one organization that determines employees' behaviour, the culture that defines how to communicate with customer s. Organizational culture is a leverage used to strengthen organizational behaviour. Iran Post Company, one of the organization in field of public service, is one example of organizations of that sort in which relationships and behaviours of customer s and employees is quite evident. Due to this fact this study has tried to identify proper organizational culture for a well-run and customer-oriented organization.

Today organizations have faced with all sorts of problems; rapid changes in technology, uncertainty of market, intense competition between organizations, diverse needs of customer s and on and on are just example of problems with which organizations have faced. Institutions, to continue their business with best performance, should provide services that help to keep their customer-orientation strategies [6]. The importance of service units or sectors is no more secret to anyone. Providing effective and practical services is a need to be fulfilled, based on customer-orientation's terms in corporate world of these days. Organizations have no choice but to increase and retain their valuable customers. Need for profitability, retaining

customers and keep customer s far away from other organizations, improving organization's fame in market, encouraging to reduce costs and attract new customers, preserving sustainable competitive advantages all and all only emphasis on the necessity of customers' satisfaction On the other hand, nowadays organizations have faced with cultural diversity. Mismatch of present organizational strategies with organizational culture can cause failure. So the term organizational culture is almost a new one that should be considered [2].

Implementation of any new strategy and also basic purpose of any organization is depended on factors such as the organizational culture. Take this fact into account that developing of organization, as a planned process, is not inconsistent with organization's culture's reforms. And any changes done to organization without regarding organizational culture would bring no benefit for organization. [1]

Post Company, known organization in service field, is no exception. Statistics have indicated poor satisfaction of company customer s with the services that Post Company provided them. Undoubtedly, this kind of dissatisfaction rooted in so many factors, "lack of staff participation in making resolutions, lack of clear vision of customer orientation, lack of clear objectives and also absence of proper knowledge." Through solving and recognizing such issues we would finally come to the term organizational culture. Indeed if the context is not favourable for implanting customer-oriented strategy, this is doomed to failure. So because of this, the study examines the impact of organizational culture which focuses on customer satisfaction. This research encounters with the question that says "if components of the organizational culture of the Post Company could affect customer satisfaction or not, and if there is, what is the impact?"

**1-1-Research's Objectives;**

Main objective of the study here is to investigate the impact of organizational culture on customers' satisfaction of Post Company. Indeed, this study has other sub-objectives along with the main one:

A) What impact would create the organizational culture on customers' satisfaction in Post Company?

B) What impact would create the Adaptive Culture on customers' satisfaction in Post Company?

C) What impact would create the Compatible Culture on customers' satisfaction in Post Company?

D) What impact would create the Mission Culture on customers' satisfaction in Post Company?

**1-3- Significance of the research;**

Today's world is the world of competitions. Organizations, in order to retain their businesses, should create a close relationship with customers. A relationship that requires well-run service provider at first place. Customers' satisfaction is the percept of any organization, the percept that one individual company has to follow. Because of this fact organization, especially Post Company that has a close relation and tangible communication with its own customer s should employ so many strategies in terms of organizational culture so that they can increase customers'

satisfaction  In this regard the following issues are of particular importance:

A) Necessity of recognizing organizational culture of the Post Company.

B) Necessity of recognition of proper culture fitting with company's goals.

C) Necessity of understanding of customers' satisfaction s' rules.

D) Necessity of understanding the impact of organizational culture on customers' satisfaction.

**1-4-Hypothesis**

**1-4-1- *Main Hypothesis;***

Organizational culture has its own impact on Post's customers' satisfaction.

**1-4-2- Sub-hypotheses**

• Participatory has its own impact on Post's customers' satisfaction.

• Adaptive has its own impact on Post's customers' satisfaction.

• Compatible has its own impact on Post's customers' satisfaction.

• Mission has its own impact on Post's customers' satisfaction.

**2- LITERATURE REVIEW:**

2-1- *Organizational culture:*

Edgar Schein, one of the known experts in this field, had defined organizational culture as "sum of values, customs, beliefs, expectations and assumptions by which people and systems connected with each other." [3].

Denison's organizational culture Model, as the framework, is been employed in this study that includes ٤features:

1) Partnership: employees, via partnership, can sense the presence of responsibility and ownership, so employees try to develop their capabilities and resources so that they can own prominent role in organization. Indicators of partnership, includes: 1-empowerment 2-togetherness 3-developing resources and capabilities.

2) Compatibility: it declares that an integrated system of common beliefs, values were agreed upon by all the staff has positive effect on having achieved general understanding and consensus among the employees. Indicators of compatibility, includes: 1-integrated coordination 2-general agreement 3-fundamental values.

3) Adaptability: is a system of norms concerned how to support an organization's abilities, as far as receiving, interpreting and behaving circumferential signals are concerned. And also improve the probability of existence and growth of an organization.  Indicators of adaptability, includes: 1-creating changes 2-customer focus (customers' satisfaction ) 3-organizational learning  4-mission; this suggests that a proper understanding of the mission of the organization is a unique way to get into right course of actions taken to achieve the objectives specified for the members. Indicators of mission, includes: 1-strategic direction and intent 2-goals and objectives 3-vision.

This model has divided into ٤parts:

All 4 parts of this model has shown one-out-of-four features mentioned above, and each part has 3 indicators. These features and their indicators, through the horizontal axis, have expressed 2 major organizational aspects "flexible" versus "stability". And through the vertical axis they have expressed "internal focus" versus "external focus".

## 2-2-*Customers' satisfaction:*

Customers' satisfaction is like a bridge amid current situation and future situation of the organization. Without regarding this factor, the firm cannot go through in future any longer. Peter Drucker, a pioneer in his own era about ⁰·years ago, has announced that a fundamental and basic reason to any business and traffic is to create and preserve satisfied customer s. "If you want to know what business means, you got to begin with its reason, and the reason of course has to be beyond the business. Indeed, this reason remains and exists in the society because every business has made organizations in every society. For expressing the definition of business only "creating customers" need to be announced." [6].

However, Gandhi the former leader of India has explained his own definition for the term "customer". "Customer is most important visitor of our units and goods. While s/he relies not on us but we totally are depended on them. Customer is no hindrance to our job; it is customer to whom our job belongs. He is no interfering but on the contrary s/he only participates. We are not doing them a favour with our business and services but it is them who actually, via their needs, have done us a great favour." [7]. "Customer is one that should be affected and manipulated by organization's values and vision." [1]. Customer satisfaction could be explained "the state of consent, gaiety and delight created in customers after receiving proper service given by employees."[8].

The question here is by which tool and gauge customer satisfaction could be measured. SERVQUAL Model had been suggested nearly in 80 by Parasuraman and some colleagues. In this model service quality is measured in terms of customer satisfaction. Parasuraman and his colleagues defined service quality as "the gap between customers' expectations and their assumptions." In first place, they suggested 10 general characteristics as criterion with which customers used to evaluate the quality of services:

1-Accessibility (ease of contact)
2-Communications (giving information and listening to customers properly)
3-Competence (having proper knowledge in order to offer services adequately)
4-Good etiquette (behaviours and attitudes of staff towards customers)
5-Credit (integrity and reliability)
6-Reliability (continuity in performance and reliability)
7-Responsiveness (quality of being accountable)
8-Security (being away from risks, dangers and uncertainty)9-Perceptible/tangible factors (physical appearance of service) 10-Recognition and understanding of customers' needs.

All these criteria have been cut down to ⁰general terms. The questionnaire includes these ⁰terms with which customers have been asked: Tangibles: that involves physical and tangible tools, facilities and staff appearances. Reliability: includes the willingness of staff to try to meet customers' needs as proper as they can. Responsiveness: that includes quality of being quick to respond to customers. Assurance: acting with proper courtesy towards customer s. Empathy: includes specific attention for organization's customer s.

SERVQUAL Model has 2 major parts.

**First part**: measuring customers' expectation that summed up in 22 questions in order to identify customer s' expectations.

**Second part**: measuring the real services and their quality that customer s observe in reality, this part has 22 questions as well. Via comparing these two parts (customer's expectation and services given to them in reality) customer satisfaction or dissatisfaction is determined. (Table1)

Table 1: measuring method of customer's satisfaction.

| Difference | Fully disagree or agree | How is that | Fully disagree or agree | How is that |
|---|---|---|---|---|
| | 1-7 | Employees are polite here | 1-7 | In superior organizations, employees are polite |

If result became greater than zero there is proof of satisfaction, and dissatisfaction is demonstrated otherwise.

## 2-3-*Background of Research:*

Samadi and Eskandari (1389) have carried out a research, via SERVQUAL Model, to evaluate Bank Meli's customers' satisfaction and quality of services that they received .They eventually found out that there exists a gap between perceptions and expectations of customers that is source of their dissatisfaction. This problem is more pronounced in mentioned-Model in terms of reliability. Finally they proved for banks' managers, there is a need to revise their policies and performances of the bank. Moyli and his colleagues have run Denison Model for some Chinese organizations; and results had proved that the indicator vision was the one which widely considered, and indicator competence almost neglected.

## 3- RESEARCH METHODOLOGY

This study is an applied research, using fieldwork methods due to the nature of the study and hypotheses research is considered descriptive-survey research. In this study we will review the existing conditions and to improve these conditions we also offer solutions at the end. So as said before this research is an applied ones.

## 3-1- *Data Collection Tools, its validity and reliability;*

All the data were collected through using the questionnaire composed of 15questions. To confirm validity and reliability of the tools and implements we took advantage of "face validity and symbolic logic."

Thus, the initial questionnaire was given to 10 MBA professors and experts in order to find out whether questions can evaluate and measure what is intended or not. After that, experts' comments on questionnaire were considered also to test the reliability of questionnaire the Cronbach's Alpha

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was employed. Thus, the questionnaire was distributed among 30 people and afterwards the collected data got examined and also via calculating its Cronbach's Alpha the reliability got confirmed. The Cronbach's Alpha was 0.91, so Alpha itself indicates that questions are highly correlated with each other and its reliability is considerable.

### 3-2-*Statistical Population and Method of Testing;*

Sample data was a part of statistical population chosen by sample size determination [4]. According to Sample Size Table of Morgan and Krejcie, 322customers out of 2000 customers of Post Company were chosen by Simple Random Sampling.

### 3-3- REASERCH MODEL
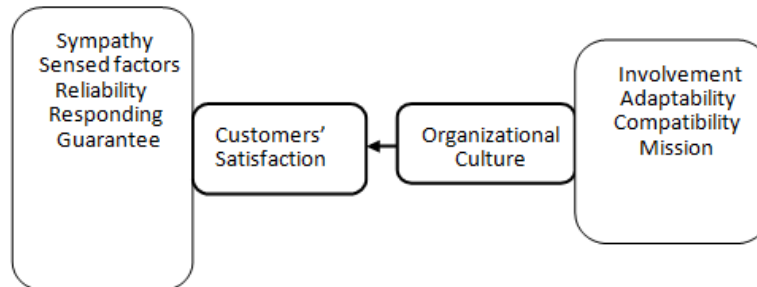


### 4-Data Analysis;

In order to analyse the data collected from questionnaires descriptive and inferential statistical methods were used along with some software. So via Kolmogorov-Smirnov

Test, the non-normality of data had been confirmed. (Table 3)

*Table*3: Results of Kolmogorov -Smirnov test for normality test data

| Results, assumption of normality of the data. | significance level | z | Variable |
|---|---|---|---|
| Reject the null hypothesis based on data normality | 0.000 | 1.70 | involvement |
| Reject the null hypothesis based on data normality | 0.000 | 1.66 | Adaptability |
| Reject the null hypothesis based on data normality | 0.000 | 1.57 | Mission |
| Reject the null hypothesis based on data normality | 0.000 | 1.78 | Compatibility |

| | | Category | N | Observed Prop. | Test Prop. | Asymp. Sig. (2-tailed) |
|---|---|---|---|---|---|---|
| Organizational culture | Group 1 | <=3 | 140 | .49 | .50 | 0.001(a) |
| | Group 2 | >3 | 182 | .51 | | |
| | Total | | 322 | 1.00 | | |

So in inferential level, the binomial test was employed to examine research's hypotheses and also Friedman's Test for ranking\classifying the impacts of variables, is utilized.

4-1- *Results of the main hypothesis*

(H0): Organizational culture is no impact on customer satisfaction.

(H1): Organizational culture has its own impact on customer satisfaction

*Table*4: (main hypothesis)

*Table*5: (result of main hypothesis)

Eventually it found out that the amount of decision criteria is 0.01 that certainly is less than 0.05, it shows that generally the H0 was taken less than the H1 by customers, so majority of customer s agreed upon H1, representing that organizational culture impact is considerable on customers' satisfaction .( Table5&4)

| Result | hypothesis | Variable |
|---|---|---|
| **H1** **been accepted** | (H0): Organizational culture is no impact on customer satisfaction. (H1): Organizational culture has an impact on customer satisfaction. | Customers' satisfaction |

### 4-2- *Results of* Sub-*hypotheses*
**Measuring the impact of components of culture on customer satisfaction:**

• Participatory culture has an impact on customers' satisfaction

• Adaptive culture has an impact on customers' satisfaction

• Compatible culture has an impact on customers' satisfaction

• Mission culture has an impact on customers' satisfaction

*Table*6: (Sub-hypotheses)

| | | Category | N | Observed prop. | Test Prop. | Asymp. Sig. (2- tailed ) |
|---|---|---|---|---|---|---|
| **Involvement** | Group 1 | <= 3 | 140 | .49 | .50 | 0.001(a) |
| | Group 2 | > 3 | 182 | .51 | | |
| | Total | | 322 | 1.00 | | |
| **Adaptability** | Group 1 | <= 3 | 140 | .49 | .50 | 0.001(a) |
| | Group 2 | > 3 | 182 | .51 | | |
| | Total | | 322 | 1.00 | | |
| **mission** | Group 1 | <= 3 | 130 | .36 | .50 | 0.001(a) |
| | Group 2 | > 3 | 192 | .64 | | |
| | Total | | 322 | 1.00 | | |
| **Compatibility** | Group 1 | <= 3 | 140 | .49 | .50 | 0.001(a) |
| | Group2 | > 3 | 182 | .51 | | |
| | Total | | 322 | 1.00 | | |

Via calculating the amount of decision criteria (0.00) that obviously is less than 0.05, then the H0 was rejected. So majority of customers agreed upon the fact that the components of culture are considerable amount on customers' satisfaction, this finding confirm edauthenticity of Sub-hypotheses. (Table7&6)

*Table*7 :( Result of Sub-hypotheses)

| Result (outcome) | Sub-hypotheses | Variable |
|---|---|---|
| H1 been accepted | H0 Mission has no impact on customers' satisfaction  H1 Mission has an impact on customers' satisfaction | Mission |
| H1 been accepted | H0 Participatory has no impact on customers' satisfaction H1 Participatory has an impact on customers' satisfaction | Involvement |
| H ١been accepted | H0 Adaptive has no impact on customers' satisfaction  H1Adaptive has an impact on customers' satisfaction | Adaptability |
| H ١been accepted | H0 Compatible has no impact on customers' satisfaction H1 Compatible has an impact on customers' satisfaction | Compatibility |

4-3- Friedman's test on ranking the variables' impacts;

(Friedman's test)

| N | 322 |
|---|---|
| CHI-SQUARE | 28.23 |
| df | 321 |
| Asumption.sig | 0.000 |

For this we came up with ranking variables according to their importance and influence. Results afterwards indicated that togetherness (team working), among other components has owned the highest rank and on the other hand adaptability has the lowest one.

(Table9 & Chart 1)

*Table*9: (ranking the variables' impacts)

| rank | Mean | | variable |
|---|---|---|---|
| 1 | 3.98 | Involvement | organizational culture |
| 2 | 3.69 | mission | |
| 3 | 3.59 | Compatibility | |
| 4 | 3.11 | Adaptability | |

## Chart 1-Ranking the variables' impacts

**Classifying**

| | |
|---|---|
| 28% | ■ Involvement |
| 27% | ■ Compatibility |
| 23% | ■ Mission |
| 22% | ■ Adaptability |
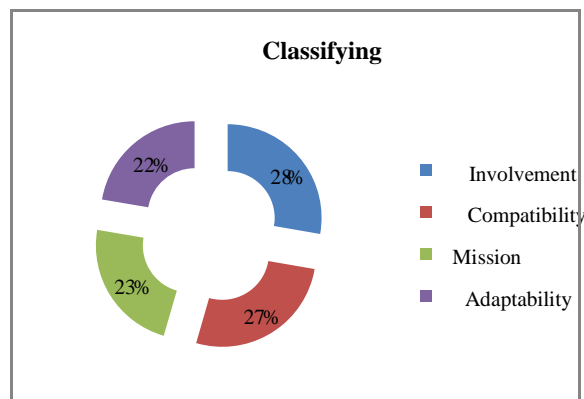
**5. Conclusion and suggestion**

According to this research's findings, suggestions have recommended:

1 - Notify employees about the importance of tasks and activities.

2 - Reduce the levels in your hierarchy.

3 - Create organization through teams rather than by individuals.

4 - Make it a permanent task for all employees, to evaluate performance in performance-management-system.

5 - Promote and praise those who develop other employees' capabilities and capacities.

6 - Training courses should be tailored for the employees' weaknesses.

7 - Boost confidence in staff and create positive beliefs in employees.

8 - Identify fundamental values and then live with them.

9 - Try, as a team, to provide correlated conduct and fundamental values.

1 0 - If possible, do the tasks in groups (team working).

1 1 - Put permanently values, ideologies and culture into the training courses.

1 2 - Involve employees with their jobs at the very beginning, invest on developing plans, and elevate the people in their minds.

1 3 - Provide experiences from any part of system to be shared with other employees belong to other part of organization.

1 4 - Communicating with customers has required its own tricks; give this part to those who are experts in this field.

1 5 - Try to collect comments/suggestions of customer s, and welcome any constructive comments, praise them then.

1 6 - Pay especially attention to appearances of staff and Post Offices. This would be achieved easily via using uniforms (Dress Code).

1 7 - Hold training courses with constant focus on customers' satisfaction and make sure these courses are effective.

1 8 - Consider your organization's customer-orientation. To do so, you would ask questions your customer s about performance and organization itself.

1 9 - Bring your customer s along with yourself and your organization as nearly as possible.

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