Organizational Culture Impact on Employee Innovative Behaviors in Kurdistan

Diary Hamid

Tishk International University, Sulaymaniyah Campus Business and Management Department
diary.hamid@gmail.com

Osman Durmaz

Tishk International University, Sulaymaniyah Campus Business and Management Department
osman.durmaz@tiu.edu.iq

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Abstract

The purpose of the current study was to explore the impacts of training, understanding, and co-worker support on innovative work behavior. To do this, we collected data from the small and medium enterprises in the Kurdistan Region of Iraq. In total, 200 data were collected from the region. The collected data was analyzed using statistical methods. Given in the results, it was revealed that co-worker support was the most important determinant of innovative work behaviors of employees compared to understanding and training. Based on the results, special suggestions were given to the managers and practitioners.

Keywords: organizational culture, innovation, innovative behaviors, performance, effectiveness

Introduction

All human organizations create a unique culture with distinctive identities. This can refer to a small family run business in a local town, or a global corporation spanning different time zones and continents. To understand how the culture of an organization impact the innovation, we must first understand what organizational culture means. When referring to organizational culture we are discussing the shared beliefs, expectations, and customs of the organization as well as the core principles and guidelines set in place (Jones, 2013). Culture implies stability over time, and a conceptual shared meaning, so apart from behavior it is thought patterning of people as a group with similar views (González-Rodríguez et al., 2019). A culture of innovation is necessary to evolve, regardless of the size or field an organization is in. Further, innovation has a significant role on organizational culture that innovation is the source for economic development in turn leads to profit and success (Budur et al., 2019; Demir et al., 2019; Khan & Yildiz, 2020). Researchers noted that to form an innovative culture, some requirements should be met (Szczepańska-Woszczyna, 2014, 2018). The managers should be able to take risks, encourage creativity and employees should help and be a part of innovation. Both managers and employees should take responsibility for their actions, supporting employees to use their own talents and ideas, and lastly, improving and bringing progress to the company's mission (Szczepańska-Woszczyna, 2014).

Furthermore, the effects of organizational culture on human resources are so important in business especially in companies and organizations. To increase efficient working, required trainings for employees should be applied to improve their abilities and skills to decrease problems. Accordingly, current study focusses on the organizational culture and innovation in the Kurdistan region of Iraq. Kurdistan is a developing country in the region that has neighborhood to Turkey, Syria, and Iran. Therefore, due to its location many famous brands can easily open their branches in the region and

helps the region for further developments. It was observed that based on our literature view, companies can improve innovations in their field that positively enhances their profits.

Literature Review

Innovation is the process to develop and improve products, processes, and markets, with the aim to aggregate value (Abdi & Senin, 2014). Innovation usually includes, but is not equivalent to, creativity: innovation involves acting on new concepts to create a concrete and tangible change in the area in which innovation takes place (Abdi & Senin, 2014). Further, Amabile et al. (1996) define innovation as the successful implementation of creative ideas within an organization. In this view, creativity by individuals and teams is a starting point for innovation; the first is necessary but not sufficient condition for the second. When establishing an innovation strategy, there are many decisions to take. Researchers noted three different types of innovation which are administrative and technical, product and process, radical and incremental (Rowley et al., 2011). Radical innovation searches for new technology and seeks to be innovative, this kind of innovation focuses on products and services that have unusual and unprecedented performance (Nicholas et al., 2013). In contrast to radical innovation, incremental innovation uses the technology that already exists, and it also has low certainty, that series of small improvements or upgrades made to a company's existing products, services, processes, or methods (Okuyama, 2017).

Organizational culture is a collection of different believes norms and values within an organization. The relationship between organizational culture and organizational effectiveness is significant and should be recognized (Demir et al., 2020, 2021). There have been more than 60 research studies conducted between 1990-2007, including 7600 small business units and companies, all in search of an answer to the question of whether organizational culture had an impact on the performance of an organization or not (Shahzad et al., 2012). The studies showed a positive correlation between the two. A study was made in a hospital nursery in Taiwan, to know the effectiveness of organizational culture on the organization's success. They gathered some data by using a structured questionnaire by getting 473 valid questionnaires from 900 questionnaires. What this data showed us is that organizational culture is positively correlated with organizational effectiveness, another example which is a sample of a study in South China including 95 companies in south China which proved that organizational culture has a positive indirect impact on organizational innovation by knowledge sharing and this will lead to a positive indirect impact on organizational performance (Shahzad et al., 2012).

Referring to these results, we can see that there is a positive relationship, and that organizational culture has a strong impact on the behavior and performance of the employees which in turn leads to productivity and stimulates organizational performance (Budur & Demir, 2019; Mohammed et al., 2020; Poturak et al., 2020). Everyone in an organization has their own values, visions, norms and beliefs (Budur & Poturak, 2021; Torlak et al., 2020; Zaim et al., 2020). When all these different quality and characters come together, new ideas and innovation is created, the adoption of joining these different ideas and talents will lead to effectiveness and better performance thus success to the organization (Budur, 2018, 2020; Demir & Budur, 2019; Top et al., 2020).

The Relationship between Organizational Culture and Innovation

There are countless companies to look at with huge success rates derived from their culture of innovation. A major company we all recognize today is Google. Google is a tech business built around

the concept of innovation and is appreciated for its innovative culture worldwide. Google has four cornerstones of innovation it is built around which consists of its mission, transparency, voice, and space, all nurtured by the environment it is built within (Büschgens et al., 2013). One of the largest setbacks in creative thinking is not just coming up with ideas; it is lacking the courage to share those ideas. Google's mission is to organize the world's information and make it universally accessible and useful, but to make this practical. Besides, Google must keep members for their community motivated. They are open with their employees, building trust as a foundation for their community. With these strong roots they allow each person a voice to share and pitch ideas in a space that is described as a "happy place" since physical environment has deep effect on how people think and feel. Many people may be envious of the Google atmosphere built around output with unconventional working spaces (Santa & Tiatco, 2019).

Starbucks, considered one of the most successful coffeehouse companies in the world, is a major player of innovation in the global market. Starbucks also has a strong corporate culture of creativity and innovation (Lemus et al., 2015). Starbucks is not a major tech company with the latest technological discoveries, but it did create an international brand with an uphill value for the brand. The vital ingredient in Starbucks's success is in fact its culture and community, although many companies may write down a list of important innovative principles for the organization (Budur et al., 2011; Torlak et al., 2019). Starbucks constantly reemphasizing the principles of Starbucks culture Harold Schultz, who purchased the brand in 1987 (Behar and Goldstein, 2007). Apart from quality in the products it served, Starbucks focused significantly on the environment it created for its customers, one cup of coffee at a time (Goh et al., 2020). The idea was to create an environment between work and home where people could come together and be served with respect. As the company grew, it also showed to be one with a heart, giving back to the community and the environment.

Methodology

Participants and Procedure

The sampling example consists of 25 companies in Sulaymaniyah, which included 200 participants. The questions were only for those participants that were above 18 years old and have been working inside the industry. The participants were all well-educated. Questionnaires were picked for this exploration since they are a quick technique to gather data from various respondents in a productive way. This is particularly significant with regards to complex activities. The data were collected by using simple random sampling, and none of the process was made online. All the questionnaires were taken by undergraduate students personally to each company selected after receiving permission. The questions were made clear for the participants after being explained for them, the questionnaires were made in English and Kurdish language. All the data was collected between October and December 2019.

Measures

There were mainly four dimensions in this study. Training contained five items, understanding five items, co-worker support five items, and innovative work behavior contained nine questions. The participants rated each questionnaire from 1 to 5 whereas 1 represented "strongly disagree" and 5 represented "strongly agree".

Demographic Analysis

The initial segment of the questionnaires comprised of segment questions, identified with gender, and questions identified with the expert job of the members, for example, length of their involvement with the organization, and their positions. According to the gender of the participants, the results showed that a total of 35 percent of the questionnaires were filled by females and 64 percent by males from total of 200 participants as shown in Table 1 below.

Table 1 Demographic elaboration

Gender	Proportion (%)
Female	35%
Male	64%
Education	Proportion (%)
Master's Degree	8%
Bachelor's Degree	63%
Vocational school	20%
High school	8%
Experience	Proportion (%)
Less than one year	18%
1 to 5 years	50%
5 to 10 years	19%
more than 10 years	12%
Position	Proportion (%)
Top management	8%
Middle management	18%
Expert	9%
Entry level employee	65%

Only 8 percent of the participants had a master's degree, 63 percent had university degree, and 20 percent completed vocational school, while 8 percent of the participants had a high school degree. A

total of 18 percent of the sample population had less than one year of work experience in the company. 50 percent of participants had 1-5 years of experience, and 19 percent had a period of 5-10 years, while 12 percent of participants had more than 10 years of experience. All the participants occupied a variety of positions, 8 percent were top management, while 18 percent having a middle management position, 9 percent low level management, and 65 percent, were employees.

Research Findings

Hypotheses of the Research

Based on literature, we developed the hypotheses as shown below, we can see the impact of the three factors which are training, understanding and coworker support on the innovative work behavior.

H1 There is a positive relation between training and innovative work behavior.

H2 There is a positive relation between understanding and innovative work behavior.

H3 There is a positive relation between coworker support and innovative work behavior.

Figure 1 Model of the study

Testing Hypotheses

In this section, we tested the hypotheses which have been developed in the previous section. In order to do this correlation, and regression analysis method was employed.

Table 2 Correlation table

Independent Variables	Depended on Variables	covariance	correlation
H1 Training	innovative work behavior	0,04	0,05
H2 understanding	innovative work behavior	0,14	0,16
H3 Coworker support	innovative work behavior	0,16	0,20

Correlation analysis is the statistical tool used to determine the impact of the association between two measurable variables. Through the correlation we can know the strength of impact between the variables. On the other hand, covariance is essentially the orientation of the interaction between two variables. A positive covariance value implies that two variables shift in the same direction, and a negative covariance value suggests the two variables move in different directions. Covariance and correlation are very helpful in understanding the relationship between two continuous variables.

The outcome of the analysis between the covariance and correlation of the independent variables are shown, which are training, understanding and coworker support, and the dependent variable which is innovative work behavior as shown in the table above, based from the results of the covariance, which is 0.04 there is a positive relation between training and innovative work behavior, and the correlation shows that there's a very weak correlation between training and innovative work behavior, if the training increases. It will very weakly affect innovate work behavior, with a correlation of 0.05.

In hypothesis 2, understanding has a correlation of 0.16 which is very weak, and a covariance of 0.14 that shows that understanding has also a positive relation with innovative work behavior. They go the same direction, therefore understanding has a very weak correlation with innovative work behavior, and positive relation with innovative work behavior.

In the third hypothesis, the covariance which is 0.16 shows a positive relation between coworker support and innovative work behavior. This means if coworker support is increased it will positively affect the innovative work behavior which in turn will also increase. The correlation which is 0.20 shows a weak correlation between coworker support and innovative work behavior, therefore coworker support increases innovative work behavior more than training and understanding.

Table 3 Regression analysis

Independent	Depended on	Adjusted R square	T stat	coefficient
H1 training	innovative work behavior	-0,0029	0,65	0,07
H2 Understanding	innovative work behavior	0,021	2,31	0,24
H3 Coworker support	innovative work behavior	0,034	2,83	0,31

Regression analysis is a reliable approach of figuring out which variables have effect on a topic of interest. The manner of appearing a regression lets researcher to confidently decide which factors rely most, which elements can be ignored, and the way these factors influence each other. A variable is an object, event, idea, feeling, period, or any other type of category you are trying to measure. There are two types of variables-independent and dependent.

First, an independent variable is just as it looks like. It is a feature that sits out and is not affected by the other factors one is attempting to calculate. For example, someone's age may be an independent variable. In fact, when a researcher is looking for relationship between variables you are trying to see if the independent variable causes change in the other variables, or dependent variables. Just like an

independent variable, a dependent variable is exactly what it sounds like. It is something that depends on other factors. For example, a test score could be a dependent variable because it could change depending on several factors such as how much you studied, how much sleep you got the night before you took the test, or even how hungry you were when you took it. Usually when you are looking for a relationship between two things you are trying to find out what makes the dependent variable change the way it does. And in this study it is necessary to use regression analysis to describe the relationships between a set of independent variables and the dependent variable. Regression analysis produces a regression equation where the coefficients represent the relationship between each independent variable and the dependent variable.

R squared is a measure of the percentage of how much the increase of the independent variable should have impact on the dependent variable. This statistic indicates the percentage of the variance in the dependent variable that the independent variable explains collectively. R-squared measures the strength of the relationship between your model and the dependent variable on a convenient 0 – 100% scale. Adjusted R-squared is used to determine how reliable the correlation is and how much is determined by the addition of independent variables. The T stat is used to check if our hypothesis is significant or not, if its significant then our hypothesis is accepted, we can tell this if the t stat is equal or above 1.96 or below negative 1.96. The coefficient tells you whether there is a positive or negative correlation between each independent variable the dependent variable. A positive coefficient indicates that as the value of the independent variable increases, the mean of the dependent variable also tends to increase. A negative coefficient suggests that as the independent variable increases, the dependent variable tends to decrease.

In Table 3, by looking at the results of the coefficient, the relation between training and innovative work behavior is positive; however, t stat is 0.65, which gives a result of non-significance, states that the hypothesis is not accepted. Hypothesis 2 is accepted, since in the results it's shown that coefficient is 0,24 which means understanding has positive relation with innovative work behavior, and they go same direction, and t stat is 2.31, which is above 1.96, and is significant and shows acceptance of the hypothesis, therefore there is a positive significant impact of understanding on innovative work behavior, and an r square of 0,03, which is The proportion of percentage that increasing understanding will have an impact on innovative work behavior.

In the third hypothesis, which is the impact of coworker support on innovative wok behavior, from the results of the coefficient we can see a positive relation, so coworker support has a positive impact on innovative work behavior. This means as the value of the training increases, dependent variable which is innovative work behavior also tends to increase, t stat is again above 1.96, which is 2,83, this shows that it is significant, which means the hypothesis is accepted, with a positive and significant impact of coworker support on innovative work behavior, and a percentage of 0.034 in the r square, explaining the reason of the proportion of why there should be more innovative work behavior.

Conclusion and Suggestions

The importance of this research is to show how organizational culture can have impact on innovation, through collecting 200 data by using simple random sampling. Descriptive statistic has been conducted covariance and correlation analysis and the regression analysis to test the hypothesis and to know how the companies work from internal and the relationships between every individual inside the company, how strong or weak the relations are between the independent variables which are as

described above, training, understanding, and coworker support on the dependent variable as innovative work behavior in the companies in Kurdistan region of Iraq and how much impact an independent variable can hold on an dependent variables. It is seen that in Kurdistan region of Iraq the relationships between the employee, managers and the staff is not such a strong bond and this research has been conducted to become aware of this issue in order to make improvements and to find a solution. Based on the results from the covariance and correlation analysis and the regression analysis generally they did not have much strong impact and the relation was weak between the variables, in the first second variable which are training and understanding, they need improvement and are very weak.

The third variable which is coworker support has a weak impact which is not as weak as compared to the first and second variable but is still weak and needs work. Therefore the reason should be found why these variables do not have a good and strong impact and what should be done, why an independent variable such as understanding does not have much impact on innovative work behavior. A reason is that there has not been much communication between the staff or it is generally not a friendly environment. Because of this reason there has not been a strong impact of understanding on innovative work behavior, or that the coworker support does not have a strong relationship because of lack of communication, understanding, and not encouraging each other in the tasks or shared knowledge, a reason for this could be that the employees are put under much pressure and the salary is not as much as their effort so in order to have more productivity in innovation a better and more healthy working environment is needed. Practices should be done to increase the impact and make development to serve and have a better, productive, and more innovative organization to complete their goals

The limitation of this research is that it is only for the participants in companies and organizations which means the participants were all educated and adults and only for Kurdistan region of Iraq, therefore this research cannot be generalized to other countries and to any age.

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Hamid & Durmaz / Organizational Culture Impact on Employee

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