Organization culture and its role in enhancing the competitive advantage

(A Case Study of Jordan Hospital)

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Abstract
This study aimed to identify the relationship between organizational culture and competitive advantage in Jordan Hospital; researcher has used the resolution as an essential tool in primary data collection, implementing a random sample stratified relative consisting of (218) employees of all workers in the Jordan Hospital, and responded them 202 no (92.7%) of the study sample, as used in this study, the researcher descriptive analytical method. The study showed an awareness of the study of the importance of cultural dimensions and the importance of strengthening the regulatory and competitive advantage, on the other Bunting showed the existence of a relationship between the dimensions of regulatory culture (trust, teamwork, shared vision) and enhances competitive advantage. The study recommended the following Consolidation of the organizational culture supportive of Excellence, Increased attention to the needs of workers, Constant search for excellence, Adapt to change in the external environment, Training the Staff and increase their abilities, applied the modern concepts of quality.

Keywords: culture, Organizational culture, competitive advantage

Organizational culture
Culture is arrangement of different attributes that express an organization and differentiate the organization from other one (Forehand and von Gilmer, 1964). According to Hofstede (1980), the culture is the collective thinking of minds which create a difference between the members of one group from another. Culture is set of different believes and behaviors that may consider guiding to success (Kotter and Heskett 1992). A theory of Organizational culture and effectiveness identified four cultural traits namely involvement and participation, consistency and normative integration, adaptability and mission were positively related to organizational performance. This theory was developed and supported by Denison and his colleagues (Denison et al., 2004). Hofstede confirmed that there were regional and national cultural groupings that influence the behavior of organizations. He recognized the scope of the organizational culture having four dimensions, uncertainty avoidance and Power distance, collectivism vs. individualism and masculinity and femininity. The concept of culture is generally
used in the concept of organizations now–a–days (Kotter and Heskett, 1992). Deal (1999) defines organizational culture as values, beliefs, and behaviors that differentiate one organization from another. Barney (2008) defines competitive advantage as being sustainable if competitors are unable to imitate the source of advantage or if no one conceives of a better offering. For example, Toyota has become the largest car manufacturer in the world, in recent years by differentiating itself from competitors in quality and customer service, while automobile manufacturers in the United States have had operational problems with improving efficiency and quality and reducing inventory costs. Competing organizations such as Ford, Chrysler and General Motors should be able to imitate particular system capabilities of Toyota or Honda, and probably these organizations are trying to do that. However, it seems that these organizations are unable to imitate the root source of advantage of the Toyota or Honda business model.

Organizational culture could be buildup by two essentials factors of social group; structural stability of a group and integration of single item in superior standard (Schein, 1995). Hodgetts and Luthans (2003), define the different characteristics that are associated with the culture of organization. Culture may defined as system of common values which can be estimated that people describe the similar organization culture even with different background at different levels within the organization (Robbins & Sanghi, 2007). Organization’s norms and value shave a strong effect on all of those who are attached with the organization. It is considered by him that norms are invisible but if the organizations want to improve the performance of the employees and profitability, norms are places first to look. There were three categories of organizational culture (a) bureaucratic, (b) innovative, and (c) supportive to measure the organizational culture. A bureaucratic culture was a hierarchical and this type of culture there were clear lines of authority and responsibility and the work is well planned and organized. This culture was based on power and control. The second category was innovative culture, result Oriented and challenging work environment. Innovative cultures mostly focused on internal system of organization and looking for competitive advantage, it encouraged openness to new thoughts and prepared internal capabilities to adopt new ideas, process, or product successfully. The third category supportive culture was teamwork, trusting, encouraging work and a people oriented environment. The four traits of organizational culture in Denison’s framework are as follows: Involvement: Effective organizations empower their people, build their organizations
around teams, and develop human capability at all levels (Lawler, 1996). Executives, managers, and employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization. **Consistency:** Organizations also tend to be effective because they have “strong” cultures that are highly consistent, well-coordinated, and well integrated. Behavior is rooted in a set of core values, and leaders and followers are skilled at reaching agreement even when there are diverse points of view. This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity. **Adaptability:** Ironically, organizations that are well integrated are often the most difficult ones to change. Internal integration and external adaptation can often be at odds. Adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change (Nadler, 1998). They are continuously changing the system so that they are improving the organizations’ collective abilities to provide value for their customers. **Mission:** Successful organizations have a clear sense of purpose and direction that defines organizational goals and strategic objectives and expresses a vision of how the organization will look in the future (Ohmae, 1982; Hamel & Prahalad, 1994). When an organization’s underlying mission changes, changes also occur in other aspects of the organization’s culture.

**Competitive advantage**
The Competitiveness of organization is its capacity to achieve its targets. These targets are likely to be expressed in a variety of terms depending on the context (Barney 2002). The success of a competitive organization can be measured by both objective and subjective criteria. Objective criteria include return on investment, market share, profit and sales revenue, while subjective criteria include enhanced reputation with customers, suppliers, and competitors, and improve quality of delivered services (Barney 2002).

Feurer and Chaharbaghi (1994) measure competitiveness quantitatively by profit, ability to raise capital and cash flow in terms of liquidity status.

Soliman (1998) adds cost, quality, delivery dependability, flexibility and innovation as factors formulating such a competitive position. M. Porter (1985) indicates that an organization experiences a competitive advantage when “its actions in an industry create economic value and when few competing organizations are engaging in similar actions.” De Wit and Meyer
(1999), Buffam (2000), and Christensen (2001) indicate that organization has a competitive advantage when it has the means to edge out rivals when competing for the favor of customers.

Prahalad and Hamel (1990) focus on the resources, capabilities and competences of the organization as the source of competitive advantage rather than the environment, as in the traditional approach. Edith Penrose, in her work ‘The Theory of the Growth of the Organization (1959) is often credited with the idea of the resource–based view. Also the work of Philip Selznick (1957) stressed the role of distinctive competences and Alfred Chandler (1962) demonstrated the importance of organizational structure in the utilization of organization’s resources. Wernerfelt (1984) and Rumelt (1997) adopt the resource–based view. Senge (1990) and Argyris (1994) stress the acquisition of competences through internal mechanisms of individual and collective learning, while Hamel and Prahalad emphasize strategic tools like alliances, licensing, mergers and acquisitions.

**Research methodology**

The research combined in its methodology the inferential methodology that is based on the availability of adequate information and data pertinent to the research and inferring elements and characteristics that provide an excellent description of its subject, case study methodology that is described as (aprofound research on the factors that contribute to a certain phenomenon whether the phenomenon is an individual or an organization or community). Case study methodology enables the researcher utilizing various techniques for data collecting.

This study aimed to recognize the role of the organizational culture dimensions in enhancing the competitive advantage in the Jordanian hospitals sector – Hospital of Jordan case ‘analytical descriptive study’.To achieve the goals of the study, a questionnaire form was designed for that purpose, validated along with its coefficient of stability, then after data collecting, it was coded, stored in computers and statistically processed via statistics software (SPSS).

**Hypothesis results**

Following are the results of the study according to its questions sequence,hypotheses.

First **general hypothesis**: sample's individuals are not aware of the concept and importance of the organizational culture dimensions.
First general hypothesis results:

H0: sample's individuals are not aware of the concept and importance of the organizational culture dimensions.

H1: sample's individuals are aware of the concept and importance of the organizational culture dimensions.

Table No. (1)
Results of One Sample T–test for Hypothesis 1

<table>
<thead>
<tr>
<th>Computed T</th>
<th>Sig. T</th>
<th>Tabled T</th>
<th>H0 result</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.033</td>
<td>0.000</td>
<td>1.96</td>
<td>Rejection</td>
</tr>
</tbody>
</table>

One Sample T–Test technique was used, and from the results of computer statistical computations in the previous table we find that the computed T value (8.033) is greater than its tabled value. Since the decision rule is accepting the null hypothesis H0 if the computed is less than the tabled value, and rejecting H0 if the computed value is greater than the tabled value, therefore rejecting H0 and accepting the alternative hypothesis H1, and that means that sample's individuals are aware of the concept and importance of the organizational culture dimensions.

Second general hypothesis: sample's individuals are not aware of the concept and importance of enhancing the competitive advantage.

Second general hypothesis results:

H0: sample's individuals are not aware of the concept and importance of enhancing the competitive advantage.

H1: sample's individuals are aware of the concept and importance of the enhancing the competitive advantage.

Table No. (2)
Results of One Sample T–test for Hypothesis 2

<table>
<thead>
<tr>
<th>Computed T</th>
<th>Sig. T</th>
<th>Tabled T</th>
<th>H0 result</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.312</td>
<td>0.000</td>
<td>1.96</td>
<td>Rejection</td>
</tr>
</tbody>
</table>
One Sample T–Test technique was used, and from the results of computer statistical computations in the previous table we find that the computed T value (9.312) is greater than its tabled value. Since the decision rule is accepting the null hypothesis H0 if the computed is less than the tabled value, and rejecting H0 if the computed value is greater than the tabled value, we reject H0 and accept the alternative hypothesis H1 therefore, and that means that sample's individuals are aware of the concept and importance of enhancing the competitive advantage.

Third general hypothesis: there is a relation of statistical significance at level (α=0.05) between the dimensions of the organizational culture (trust, teamwork, shared vision) and enhancing the competitive advantage.

First subsidiary hypothesis: there is a relation of statistical significance at level (α=0.05) between the dimensions of the organizational culture (trust) and enhancing the comparative advantage.

To test the hypothesis, Pearson correlation coefficient was used, and the following results were reached and tabled in table (3), which shows that Pearson correlation coefficient is (0.359), a value that is greater the tabled value of (0.138), where the significance level is 0.000 which is less than (α=0.05), therefore the subsidiary hypothesis "there is a relation of statistical significance at level (α=0.05) between the dimensions of the organizational culture (trust) and enhancing the competitive advantage" is accepted.

Table no.3
Pearson correlation coefficients between enhancing the competitive advantage and all the other fields

<table>
<thead>
<tr>
<th></th>
<th>Trust</th>
<th>Teamwork</th>
<th>Shared vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>enhancing the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>competitive advantage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Correlation &quot; r&quot;</td>
<td>0.359</td>
<td>0.264</td>
<td>0.172</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
<td>0.362</td>
<td>0.307</td>
</tr>
<tr>
<td></td>
<td>202</td>
<td>202</td>
<td>202</td>
</tr>
</tbody>
</table>

The tabled value (R) at level of significance 0.05 and degree of freedom 200 equals 0.138.
Second subsidiary hypothesis: there is a relation of statistical significance at level ($\alpha=0.05$) between the dimensions of the organizational culture (teamwork) and enhancing the comparative advantage.

To test the hypothesis, Pearson correlation coefficient was used, and the following results were reached and tabled in table (2), which shows that Pearson correlation coefficient is (0.264), a value that is greater than the tabled value of (0.138), where the significance level is 0.000, which is less than ($\alpha=0.05$), therefore the subsidiary hypothesis "there is a relation of statistical significance at level ($\alpha=0.05$) between the dimensions of the organizational culture (teamwork) and enhancing the competitive advantage" is accepted.

Third subsidiary hypothesis: there is a relation of statistical significance at level ($\alpha=0.05$) between the dimensions of the organizational culture (shared vision) and enhancing the comparative advantage.

To test the hypothesis, Pearson correlation coefficient was used, and the following results were reached and tabled in table (2), which shows that Pearson correlation coefficient is (0.172), a value that is greater than the tabled value of (0.138), where the significance level is 0.000, which is less than ($\alpha=0.05$), therefore the subsidiary hypothesis "there is a relation of statistical significance at level ($\alpha=0.05$) between the dimensions of the organizational culture (shared vision) and enhancing the competitive advantage" is accepted.

Results:
The study aimed to determine the relation of organizational culture with enhancing the competitive advantage in the hospital of Jordan. The study has shown a presence of awareness of the concept and importance of the organizational culture, and of the concept and importance of the competitive advantage within the study population. The study has also shown a presence of a relation with statistical significance at level ($\alpha=0.05$) between the dimensions of the organizational culture (trust, teamwork, shared vision) and enhancing the competitive advantage.

The study recommends the following:
1. Enhancing the organizational culture that supports excellence.
2. Increasing interest in the workers needs.
3. Permanent search for excellence and superiority.
4. Coping with the changes in the external environment.
5. Training workers and enhancing their capabilities.
6. Applying modern concepts of quality.
References


