

The Influence of the Process of Creating Organizational Culture on Organizational Commitment and Job Involvement

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Abstract

In organizational development, organizational culture ensures corporate success. Organizational culture has been studied from various perspectives; however, little research has been carried out on how organizational culture is created, and how it influences organizational performance. The present study identified many appropriate frameworks, including the process of creating organizational culture, the approach to organizational culture that leads to successful outcomes, and ways of using culture to create successful solutions to organizational problems. The study results provide an important approach that can be used in consulting on organizational culture and problem solving.

Keywords: Job Involvement, Organizational Commitment, Organizational Culture, Organizational Development

1. Introduction

Organizational culture is an important factor that determines the atmosphere of a business and determines the success of any changes to the business. In addition, it is one of the most important factors for sustainable organizations⁶. As multiple changes occur in the business environment, organizational culture is receiving more attention. It has a positive influence on the performance of individuals and organizations²⁰. Peters and Waterman²⁷ identified people's values as a characteristic of a successful business, and emphasized the role of in-house communications and respect for employees. In addition, Gregory¹⁵ stated that culture plays a crucial role in achieving results for a company in a rapidly changing environment. Van Marrewijk³¹ argued that organizations should examine their culture and reflect it throughout the organization, so the organization could successfully deliver on projects,

and adapt to change. Atkinson et al⁴ noted that managing the uncertainty of a project requires managing the organization's culture. Moreover, organizational culture is reported to have an influence on the efficiency of managing several project groups²⁶. Nevertheless, organizational culture is one of the most difficult aspects to consider in managing change, as it comprises all the constituents of official and unofficial structures. Such culture does not become universal or definite⁶. Research conducted into organizational culture includes the definition of organizational culture, and its types, characteristics, and influence⁶. Cheung et al¹⁰ documented the constituents of organizational culture in Hong Kong, and evaluated the relative importance of each constituent. As a result, they argued that organizational culture can be managed by utilizing factors with high relative importance, and strong organizational culture creates internal consistency. On the other hand, Gordon and DiTomaso¹⁴ argued that

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the composition and influence of organizational culture is so complicated that more in-depth study is required to define the relationships among its constituents. Therefore, the present study aimed to analyze how organizational culture influences organizational performance, based on the findings of Cheung et al¹⁰.

2. Theoretical Background and Hypotheses

2.1 Organizational Culture

In the 1980s, organizational culture received considerable attention in the field of organizational theory³⁰, and it has continued to be important up to the present day, as a source of stability and growth for organizations in a time of rapid change^{6,7,9,11,12,29,32}. There are many definitions of organizational culture, but the central concept is that it is about the core values of an organization¹³. Such a values-based organizational culture enhances the stability of an organization²², provides the organization's identity, and shapes the behavior of the organization's members, despite the fact that each member has a different personality¹⁰. Hofstede¹⁶ analyzed the culture of a country across four domains (power distance, individualism/collectivism, masculinity/femininity, avoidance of uncertainty), and used this model to account for the competitiveness of a country. Gordon and DiTomaso¹⁴ stated that highly adaptable cultures are closely correlated with the success of a business, and that one can predict the performance of a company by measuring the company's culture. Flamholtz¹³ presented six building blocks of successful organizational development. He argued that culture belongs to the top block, and the effective management of culture increases a company's profitability. Cameron and Quinn⁸ also presented six criteria that measure organizational culture objectively. They are dominant characteristics, organizational leadership, employee management, organizational glue, strategic emphasis, and criteria for success. Denison, Nieminen and Kotrba¹² developed an assessment model that analyzes organizational culture, with 12 factors and 4 domains. Balthazard, Cooke and Potter⁵ also developed a model to assess organizational culture, with 12 behavioral factors and 3 domains. Based on the findings of Cheung et al¹⁰, they derived seven factors of organizational culture, and analyzed their relative importance. The factors are "goal settings and accomplishment",

"team orientation", "coordination and integration", "performance emphasis", "innovation orientation", "member participation", and "reward orientation". They argued that the key factors of organizational culture can be utilized to create a positive organizational culture that assists in accomplishing project goals and, by managing the factors, a positive organizational culture can be maintained. Cheung, Wong and Wu¹⁰ stated, first, that an organization's goal setting strongly influences the identity of the organization, and second, that orientation of a team is related to the participation and commitment of team members. Third, they suggested that coordination and integration are an extension of team participation, and the individual's team orientation.

2.2 Organizational Commitment

Organizational commitment is defined as a person's strong trust and acceptance of the organization's goals and values, their identification with and participation in the organization, and their willingness to exert effort and to remain as a member of the organization²⁴. According to Armstrong and Taylor³, performance management can align employee's goals with the goals of the organization, and reward for achievement can lead to enhancement of the member's commitment. Anvari et al² argued that effective incentives can affect organizational commitment. Oh et al²⁵ stated that organizational commitment and work satisfaction are related to performance, and Moon²³ stated that organizational commitment is correlated with job involvement. In addition, Kim and Shin¹⁹ argued that encouraging employees' innovation orientation can increase "organizational citizenship" behavior, and a shared sense of goals among team members increases commitment, which may be manifested as altruistic behavior, such as helping other employees, or developing their team. They also stated that "organizational citizenship" behavior has a positive influence on the performance of a company. Rizwan and Saboor²⁸ argued that companies should design work environments and jobs in a way that reflects the positive emotions of employees for their commitment.

2.3 Job Involvement

Lodahl and Kejnar²¹ described job involvement as the internalization of values, and the having work as a

priority in their life; Kanungo¹⁸ viewed it as an individual worker's psychological identification with their jobs; and Kahn¹⁷ defined it as continuous physical, cognitive, emotional effort for overall job performance. Many researchers have pointed out that employee participation appears to lead to individual and organizational achievement, and eventually to the success of the organization: a high level of employee participation creates more advantageous outcomes for the organization, and employees strive to achieve the organization's goals²⁸. In addition, the association of performance and reward further increases job involvement³.

3. Research Model

Based on the literature review in chapter 2, the following research model in Figure 1 was derived, to analyze the influence of organizational culture on job involvement and organizational commitment.

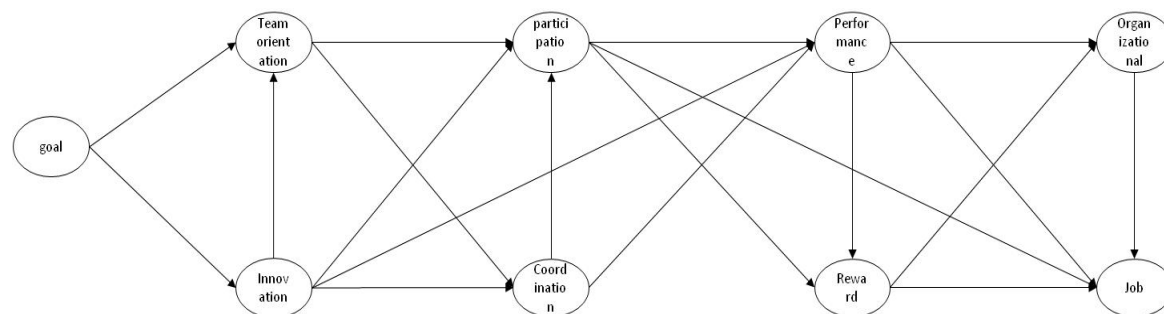


Figure 1. Research Model.

3.1 Hypothesis

3.1.1 Relationship of Goal Settings to Accomplishment, Team Orientation, and Innovation Orientation

Amabile¹ proposed motivation as a variable that affects the characteristics of organizational culture, and argued that leaders can influence the attitude of an organization's members through motivation. Cheung, Wong and Wu¹⁰ also proposed that the initial goals established by an organization have a powerful influence on the identity of the organization.

Hypothesis 1. Goal settings and accomplishment has a positive influence on Team orientation.

Hypothesis 2. Goal settings and accomplishment has a positive influence on Innovation orientation.

3.1.2 Relationship of Team Orientation to Members' Participation, Coordination and Integration, and Innovation Orientation

Cheung, Wong and Wu¹⁰ argued that team orientation is related to members' participation, and coordination and integration, and that coordination and integration are an extension of members' participation and team orientation.

Hypothesis 3. Team orientation has a positive influence on Members' participation.

Hypothesis 4. Team orientation has a positive influence on Coordination and integration.

Hypothesis 5. Coordination and integration has a positive influence on Members' participation.

3.1.3 Relationship of Innovation Orientation to Team Orientation, Members' Participation, Coordination and Integration, and Performance Emphasis

Amabile¹ suggested motivation as a variable that affects organizational culture, and proposed that leaders can influence organization members' attitude to their job through motivation. Kim and Shin¹⁹ argued that encouraging innovation orientation among members of an organization could increase their "organizational citizenship" behavior, increasing their commitment due to their sense of shared goals, which may be manifested in altruistic behavior to help their team, and others, to prosper. They also stated that organizational citizenship behavior has a positive effect on the performance of a company.

Hypothesis 6. Innovation orientation has a positive influence on Team orientation.

Hypothesis 7. Innovation orientation has a positive influence on Members' participation.

Hypothesis 8. Innovation orientation has a positive influence on Coordination and integration.

Hypothesis 9. Innovation orientation has a positive influence on Performance emphasis.

Hypothesis 10. Coordination and integration has a positive influence on Performance emphasis.

3.1.4 Relationship of Members' Participation to Performance Emphasis, Reward Orientation, and Job Involvement

Many researchers point out that employee participation appears to lead to individual and organizational achievement, and eventually to the success of the organization. A high level of employee participation brings outcomes that are more advantageous to the organization, and employees strive to achieve the organization's goals²⁸. In addition, the association of performance and reward further increases job involvement³.

Hypothesis 11. Members' participation has a positive influence on Performance emphasis.

Hypothesis 12. Members' participation has a positive influence on Reward orientation.

Hypothesis 13. Members' participation has a positive influence on Job Involvement.

3.1.5 Relationship of Performance Emphasis to Reward Orientation, Organizational Commitment, and Job Involvement

According to Armstrong and Taylor³, performance management can align employee's goals with the goals of the organization, and reward for achievement can lead to the enhancement of commitment. Organizational commitment and work satisfaction are related to performance²⁵.

Hypothesis 14. Performance emphasis has a positive influence on Reward orientation.

Hypothesis 15. Performance emphasis has a positive influence on Organizational commitment.

Hypothesis 16. Performance emphasis has a positive influence on Job Involvement.

3.1.6 Relationship of Reward Orientation to Organizational Commitment and Job Involvement

Armstrong and Taylor³ mentioned that performance incentives can lead to enhancement of commitment. Anvari et al² argued that effective incentives can influence organizational commitment.

Hypothesis 17. Reward orientation has a positive influence on Organizational commitment.

Hypothesis 18. Reward orientation has a positive influence on Job Involvement.

3.1.7 The Relationship between Organizational Commitment and Job Involvement

Rizwan and Saboor²⁸ argued that the work environment and jobs should be designed in a way that reflects the positive emotions of employees for their commitment. According to Moon²³, organizational commitment is correlated with job involvement.

Hypothesis 19. Organizational commitment has a positive influence on Job Involvement

3.2 Operational Definitions of Variables

The variables used in this study are Job Involvement, Organizational commitment and Organizational culture. Operational definitions for each variable are provided in Table 1.

4. Empirical Analysis

4.1 Research Methods

The present study analyzed the effect of organizational culture on job involvement and organizational commitment. It was conducted between March 2014 and October 2014 and engaged 172 employees of various businesses through individual visits and an internet survey. Collected data were analyzed via SPSS 19.0 and AMOS 19.0.

4.2 Characteristics of Samples

The demographic characteristics of the respondents are shown in Table 2. In terms of gender distribution, 70.3% of the participants were male, while 29.7% were female. As for age distribution, 43.6% of the participants were in their 30s, while 31.4% were in their 40s, and together the two groups accounted for 75% of the sample. As for the distribution of occupations by industry, 71.5% of the respondents worked in the manufacturing industry, while 17% worked in the service industry.

Table 1. Operational definitions of variables

Variables		Operational definitions	Researchers
Job Involvement		An individual's cognitive and emotional state in relation to the job	Lodahl and Kejner (1965) Kanungo (1982) Byung-Ryong Bae (2012)
Organizational commitment		An individual's cognitive and emotional state in relation to the organization	Saks (2006) Cheoulgyu Jee (2013)
Organizational culture	Goal settings and accomplishment	Clear awareness of organizational goals	Cheung et al. (2011)
	Team orientation	An individual's commitment to the team	
	Coordination and integration	Sharing information and support between departments	
	Performance emphasis	Demand for achieving organizational goals	
	Innovation orientation	An individual's commitment, effort and interest in creating or supporting new ideas or methods	
	Members' participation	An individual's level of participation in tasks	
	Reward orientation	An individual's propensity to act to achieve organizational reward	

Table 2. Characteristics of samples

Category		Frequency (Persons)	Proportion (%)
Sex	Male	121	70.3
	Female	51	29.7
Age	20s	15	8.7
	30s	75	43.6
	40s	54	31.4
	50s	20	11.6
	60 and above	8	4.7
	Public institutions	3	1.7
Industry	Manufacturing	123	71.5
	Service	17	9.9
	Etc.	29	16.9

4.3 Hypothesis Testing and Interpretation

4.3.1 Factor Analysis and Reliability Analysis

Factor analysis and Reliability analysis Principle component analysis was used for all measured variables to extract the components. In order to simplify factor loading, Varimax was selected. Selection criteria for questions were based on a characteristic value of 1.0 or higher and a factor loading of 0.50 or higher. Seven factors for organizational culture, and two factors for job involvement

and organizational commitment, were identified. A total of 5 questions from 33 questions were eliminated after being identified as unfit for the theoretical structure, and 28 were used in the analysis. Also, Reliability was confirmed with a Cronbach α value of 0.6 or higher for all factors.

4.3.2 Correlation Analysis

Table 5 displays the correlation between variables. A significant relationship was found among all variables, with the level of significance being 0.01.

Table 3. Factorial analysis and reliability analysis and organizational culture

Items	Factor Analysis								Reliability	
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Commonality	Alpha if Item Deleted	Cronbach α
RO 4	.815	.050	.047	.221	-.014	.345	.071	.843	.832	.877
RO 3	.796	.224	.161	.011	.259	-.068	.111	.794	.853	
RO 5	.622	.067	.016	.222	.035	.319	.234	.826	.841	
RO 1	.608	.216	.227	.246	.213	.344	-.204	.751	.855	
RO 2	.137	.125	.303	.248	.420	-.109	-.005	.727	.870	
Goal 2	.128	.831	.090	.101	.223	.139	.054	.800	.760	.843
Goal 3	.128	.792	.124	.144	.261	.066	.196	.789	.747	
Goal 1	.146	.774	.188	.141	.006	.135	.227	.741	.831	
CI 3	.052	.063	.803	.105	.082	.135	.300	.796	.754	.833
CI 1	.229	.172	.765	.244	.067	.186	.283	.796	.730	
CI 2	.130	.293	.662	.158	.327	.263	-.063	.782	.821	
MP 2	.171	.131	.133	.894	.187	.016	.017	.886	.721	.850
MP 1	.358	.200	.142	.800	.257	.070	.127	.816	.776	
MP 3	.097	.072	.231	.677	.032	.227	.159	.723	.872	
IO 2	.211	.190	.014	.236	.825	.202	.216	.869	.730	.837
IO 1	.241	.212	.221	.137	.762	.213	.127	.800	.746	
IO 3	.240	.244	.447	.268	.522	.078	.116	.682	.843	
PE 1	.301	.221	.238	.062	.204	.804	.124	.871	.000	.863
PE 2	.025	.164	.328	.176	.285	.677	.132	.813	.000	
TO 1	.025	.320	.178	.129	.213	.061	.771	.795	.583	.735
TO 3	.182	.156	.325	.092	.131	.126	.734	.743	.583	
Eigen-value	3.266	2.560	2.542	2.471	2.347	1.793	1.664			
Variane explanation power (%)	15.554	12.191	12.105	11.765	11.176	8.539	7.925			

Table 4. Factorial analysis and reliability analysis and organizational commitment

Items	Factor analysis			Reliability	
	Factor 1	Factor 2	Commonality	Alpha if Item Deleted	Cronbach α
OC 5	.909	.194	.865	.880	.921
OC 1	.887	.161	.801	.895	
OC 2	.847	.289	.749	.917	
OC 4	.806	.315	.812	.897	
JI 2	.052	.803	.602	.531	.686
JI 3	.339	.746	.671	.446	
JI 4	.480	.610	.647	.731	
Eigen-value	3.328	1.819			
Variance explanation power (%)	47.544	25.985			

4.3.3 Measurement Model Analysis

4.3.2 Correlation Analysis

Table 5 displays the correlation between variables. A significant relationship was found among all variables, with the level of significance being 0.01.

When examined for the goodness of fit of the measurement model, $\chi^2 = 366.899$, $df = 194$, $p = 0.000$, $CMIN/DF = 1.891$, $GFI = 0.852$, $AGFI = 0.789$, $CFI = 0.932$, $RMR = 0.109$, $RMSEA = 0.072$, $NFI = 0.868$, $IFI = 0.933$, the model was found to be a good fit.

Table 5. Correlation analysis

Research Unit	Mean	Standard Deviation	Inter-Construct Correlations								
			Goal	TO	PE	CI	IO	MP	RO	JI	OC
Goal	4.9205	1.08364	1								
TO	5.0756	1.07338	.594**	1							
PE	4.6599	1.31978	.469**	.490**	1						
CI	5.1143	1.10017	.471**	.559**	.603**	1					
IO	4.5562	1.02917	.553**	.604**	.581**	.583**	1				
MP	4.7655	1.12387	.404**	.486**	.436**	.494**	.548**	1			
RO	4.4581	1.00262	.421**	.426**	.603**	.479**	.546**	.556**	1		
JI	4.8178	1.04810	.182*	.194*	.324**	.295**	.302**	.413**	.283**	1	
OC	4.6483	1.12934	.333**	.406**	.540**	.464**	.483**	.476**	.592**	.598**	1

**Correlation coefficient is significant at the level of 0.01 (bothsides).

Table 6. Evaluation of the measurement model

Concept	Measured Variables	Factor Loading	Standardized Factor Loading	Standard Error	C.R.	SMC	Reliability
Goal	Goal 1	1.000	0.731	-	0.000 ⁺	0.535	0.843
	Goal 2	1.274***	0.813	0.128	9.920	0.660	
	Goal 3	1.294***	0.865	0.125	10.315	0.748	
TO	TO 1	1.000	0.769	-	0.000 ⁺	0.591	0.735
	TO 3	1.089***	0.759	0.133	8.210	0.576	
PE	PE 1	1.000	0.821	-	0.000 ⁺	0.674	0.863
	PE 2	1.091***	0.926	0.085	12.898	0.857	
CI	CI 1	1.000	0.849	-	0.000 ⁺	0.722	0.833
	CI 2	0.907***	0.745	0.086	10.523	0.555	
	CI 3	0.924***	0.787	0.082	11.239	0.619	
IO	IO 1	1.000	0.826	-	0.000 ⁺	0.682	0.837
	IO 2	0.960***	0.822	0.082	11.650	0.676	
	IO 3	0.939***	0.754	0.089	10.531	0.569	
MP	MP 1	1.000	0.876	-	0.000 ⁺	0.767	0.850
	MP 2	1.053***	0.868	0.079	13.340	0.754	
	MP 3	0.929***	0.711	0.089	10.396	0.505	
RO	RO 4	1.000	0.888	-	0.000 ⁺	0.788	0.898
	RO 5	1.110***	0.919	0.075	14.751	0.845	
JI	JI 2	1.000	0.803	-	0.000 ⁺	0.644	0.731
	JI 3	0.981***	0.720	0.135	7.286	0.519	
OC	OC 1	1.000	0.804	-	0.000 ⁺	0.647	0.917
	OC 4	1.048***	0.913	0.071	14.657	0.833	
	OC 5	1.195***	0.964	0.077	15.603	0.928	
Goodness of Fit of the Measurement Model		$\chi^2=366.899$, df=194, p=0.000, CMIN/DF=1.891, GFI=0.852, AGFI=0.789, CFI=0.932, RMR=0.109, RMSEA=0.072, NFI=0.868, IFI=0.933					

4.3.4 Validity Analysis of the Measurement Model

The measurement model was analyzed for convergent and discriminant validity. To evaluate convergent validity, the average variance extracted (AVE) was used. The average variance extracted was 0.5 or higher, which means that the measurement model secured convergent validity. To test discriminant validity, the estimated interval of standard error was analyzed, and all correlation coefficients

were less than 1. Accordingly, all variables showed discriminant validity.

4.3.5 Hypothesis Testing

A structural analysis was conducted via AMOS 19.0 in order to test the hypotheses. The table below shows the estimated values of structure equation modeling. The suggested model shows data suitability that can be accepted. Specifically, $\chi^2 = 271.464$, $df = 170$, $p = 0.000$, $CMIN/DF = 1.597$, $GFI = 0.879$, $AGFI = 0.836$, $CFI = 0.954$,

RMR = 0.101, RMSEA = 0.059, NFI = 0.887, and IFI = 0.955.

Hypothesis 1. Goal settings and accomplishment has a positive influence on Team orientation. Results of the path analysis showed a path coefficient of .583, C.R. = 7.292, and p value of .000, supporting the hypothesis.

Hypothesis 2. Goal settings and accomplishment has a positive influence on Innovation orientation. Results of the path analysis showed a path coefficient of .435, C.R. = 4.137, and p value of .000, supporting the hypothesis.

Hypothesis 3. Team orientation has a positive influence on Members' participation. Results of the path analysis showed a path coefficient of .016, C.R. = 0.115, and p value of .909, rejected the hypothesis.

Hypothesis 4. Team orientation has a positive influence on Coordination and integration. Results of the path analysis showed a path coefficient of .581, C.R. = 4.879, and p value of .000, supporting the hypothesis.

Hypothesis 5. Coordination and integration has a positive influence on Members' participation. Results of the path analysis showed a path coefficient of .313, C.R. = 2.379, and p value of .017, supporting the hypothesis.

Hypothesis 6. Innovation orientation has a positive influence on Team orientation. Results of the path analysis showed a path coefficient of .269, C.R. = 2.473, and p value of .013, supporting the hypothesis.

Hypothesis 7. Innovation orientation has a positive influence on Members' participation. Results of the path analysis showed a path coefficient of .353, C.R. = 3.484, and p value of .000, supporting the hypothesis.

Hypothesis 8. Innovation orientation has a positive influence on Coordination and integration. Results of the path analysis showed a path coefficient of .221, C.R. = 2.269, and p value of .024, supporting the hypothesis.

Hypothesis 9. Innovation orientation has a positive influence on Performance emphasis. Results of the path analysis showed a path coefficient of .437, C.R. = 3.692, and p value of .000, supporting the hypothesis.

Hypothesis 10. Coordination and integration has a positive influence on Performance emphasis. Results of the path analysis showed a path coefficient of .621, C.R. = 5.002, and p value of .000, supporting the hypothesis.

Hypothesis 11. Members' participation has a positive influence on Performance emphasis. Results of the path analysis showed a path coefficient of .028, C.R. = 0.242, and p value of .809, rejected the hypothesis.

Hypothesis 12. Members' participation has a positive influence on Reward orientation. Results of the path analysis showed a path coefficient of .327, C.R. = 3.025, and p value of .004, supporting the hypothesis.

Hypothesis 13. Members' participation has a positive influence on Job Involvement. Results of the path analysis showed a path coefficient of .330, C.R. = 2.909, and p value of .003, supporting the hypothesis.

Hypothesis 14. Performance emphasis has a positive influence on Reward orientation. Results of the path analysis showed a path coefficient of .483, C.R. = 5.853, and p value of .000, supporting the hypothesis.

Hypothesis 15. Performance emphasis has a positive influence on Organizational commitment. Results of the path analysis showed a path coefficient of .155, C.R. = 2.096, and p value of .036, supporting the hypothesis.

Hypothesis 16. Performance emphasis has a positive influence on Job Involvement. Results of the path analysis showed a path coefficient of .037, C.R. = 0.398, and p value of .691, rejected the hypothesis.

Hypothesis 17. Reward orientation has a positive influence on Organizational commitment. Results of the path analysis showed a path coefficient of .488, C.R. = 6.073, and p value of .000, supporting the hypothesis.

Hypothesis 18. Reward orientation has a positive influence on Job Involvement. Results of the path analysis showed a path coefficient of -.234, C.R. = -2.018, and p value of .044, supporting the hypothesis.

Hypothesis 19. Organizational commitment has a positive influence on Job Involvement. Results of the path analysis showed a path coefficient of .665, C.R. = 5.665, and p value of .000, supporting the hypothesis.

5. Conclusion and Implications

In organizational development, organizational culture ensures the success of a company. It has a strong influence on the performance of individuals, and the organization, in an increasingly competitive environment, and it is the most difficult aspect to consider in managing change. Organizational culture comprises all constituents of official and unofficial structures. Studies of organizational culture have included consideration of its definition, and its types, characteristics, and influence⁶. However, there are insufficient empirical studies on how organizational culture is created. Therefore, the present study aimed to clarify the influence of the process of creating an

Table 7. Validity analysis results of the measurement model

Variable Identifier	Inter-Construct Correlations								
	1	2	3	4	5	6	7	8	9
Goal	1								
TO	.642 (.095)	1							
PE	.524 (.106)	.547 (.121)	1						
CI	.535 (.096)	.712 (.119)	.692 (.142)	1					
IO	.648 (.096)	.642 (.105)	.675 (.130)	.637 (.115)	1				
MP	.472 (.090)	.452 (.101)	.480 (.122)	.548 (.114)	.619 (.110)	1			
RO	.350 (.090)	.366 (.104)	.632 (.141)	.409 (.115)	.438 (.107)	.497 (.115)	1		**
JI	.180 (.090)	.209 (.106)	.364 (.130)	.366 (.120)	.375 (.111)	.441 (.119)	.348 (.122)	1	
OC	.315 (.080)	.337 (.093)	.540 (.124)	.427 (.106)	.464 (.099)	.415 (.101)	.679 (.125)	.640 (.129)	1
Mean of Variance Extracted (VE)	0.648	0.584	0.766	0.632	0.642	0.675	0.817	0.582	0.803

*p<.05, **p<.01, ***p<.001. Measurements in the reflectcovariance standard error.

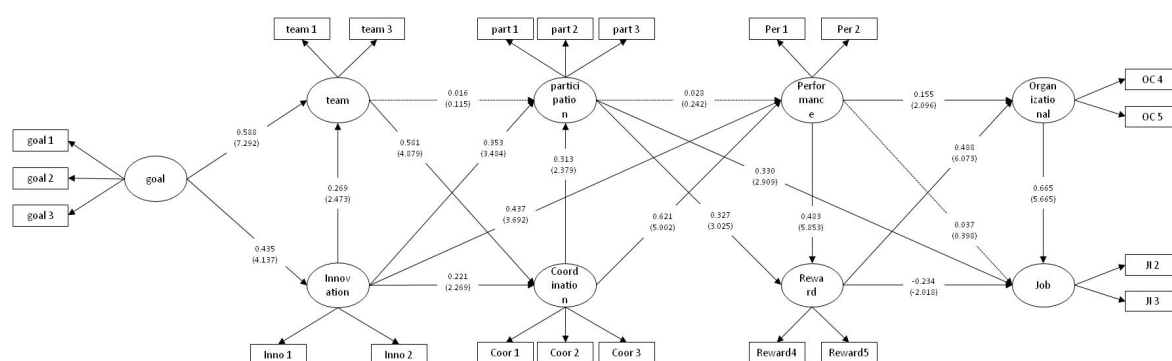
Table 8. Results of hypothesis testing

Path (Hypothesis)	Coefficient Value	C.R.	P Value	Result
Goal -> Team	.588	7.292	.000***	Accepted
Goal -> Innovation	.435	4.137	.000***	Accepted
Team -> participation	.016	0.115	.909	Reject
Team -> Coordination	.581	4.879	.000***	Accepted
Coordination -> participation	.313	2.379	.017*	Accepted
Innovation -> Team	.269	2.473	.013*	Accepted
Innovation -> participation	.353	3.484	.000***	Accepted
Innovation -> Coordination	.221	2.269	.024*	Accepted
Innovation -> Performance	.437	3.692	.000***	Accepted
Coordination -> Performance	.621	5.002	.000***	Accepted
participation -> Performance	.028	0.242	.809	Reject
participation -> Reward	.327	3.025	.004**	Accepted
participation -> JI	.330	2.909	.003**	Accepted
Performance -> Reward	.483	5.853	.000***	Accepted
Performance -> OC	.155	2.096	.036*	Accepted
Performance -> JI	.037	0.398	.691	Reject
Reward -> OC	.488	6.073	.000***	Accepted
Reward -> JI	-.234	-2.018	.044*	Accepted
OC -> JI	.665	5.665	.000***	Accepted
Goodness of fit of suggested model	$\chi^2=271.464$, $df=170$, $p=0.000$, $CMIN/DF=1.597$, $GFI=0.879$, $AGFI=0.836$, $CFI=0.954$, $RMR=0.101$, $RMSEA=0.059$, $NFI=0.887$, $IFI=0.955$			

Statistically significant in the levels of *p<.05, **p<.01, ***p<.001

organization's culture on organizational commitment and job involvement. The results of this study demonstrate what needs to be done to create a successful organizational culture, and demonstrate that the process of creating an

organizational culture influences the achievement and success of the organization. Many companies try to create an innovative organizational culture to ensure the success of their businesses. Many researchers have identified



Note: The path coefficient is a standardized path coefficient. Measurements in C.R. values.

Figure 2. SEM analysis results.

the components of organizational culture, built models, and developed assessment tools. This research has derived many appropriate frameworks, including the process of creating organizational culture, the flow and understanding of organizational culture that leads to successful outcomes, and ways to achieve successful solutions to organizational problems. The findings of this study have significant implications for changing the organizational culture of a company, as well as understanding the process of creating organizational culture, that are significant for problem-solving in organizations. In addition, this study demonstrates the process of organizational culture creation, and gives a full framework for operating and managing organizational culture to ensure the success of the organization.

Finally, the present research findings are not applicable to all cultures or organizations, as the research was carried out only in South Korea. The seven components of organizational culture cannot be said to represent all organizational cultures. Therefore, future studies should focus on organizational culture in regions and industries, and add to the seven components of organizational culture in this research, in order to analyze the causal relationships among other cultural components, and sub-categories of each component.

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