Explaining the Relationship between Managers' Decision-Making Styles and Organizational Health by the Intermediary Role of Organizational Climate (Case Study: A Governmental Organization in Khorasan Razavi Province[1])

Aflatoon Amiri[1], Masood Keramatnia[2*] , Ali Raiesi[3]

1. Assistant Professor of management, Faculty of Literature & Humanities, Department of Management, Kerman Branch, Islamic Azad University, Kerman, Iran
2, 3. Ph.D. Student, Department of Management, Kerman Branch, Islamic Azad University, Kerman, Iran

Corresponding Author: Masood Keramatnia

Abstract: The purpose of this study was to investigate the relationship between managers' decision-making styles and organizational health through the intermediately role of organizational climate. The statistical population in this research consisted of 120 employees. The sampling method in the present study was a simple random sampling and the sample size was determined 91 people using Cochran formula. The researcher used three-factor questionnaires to collect data for performing factor analysis. In this research, structural relations model was used for data analysis. The content validity and Cronbach's alpha coefficient were used to determine the reliability and validity of the questionnaire that its value was 0.83 for decision making style questionnaire of Scott & Bards, 0.88 for the organizational climate questionnaire of Hallipin & Kraft (1963), and 0.84 for the organizational health questionnaire of Hoy and Fidman (1996). The results showed that there is a significant relationship between organizational citizenship behavior, organizational climate, and organizational health.

Keywords: Managers' decision-making styles, organizational health, organizational climate.

INTRODUCTION

The role of decision-making in preventing problems, solving problems and transferring the appropriate solution is one of the important functions of management, given that the basic tasks of planning, leading, organizing and controlling require decision-making. Managers at all levels of the organization decide for acting or solving the problem and make their decisions into action, and these decisions outline the activity framework of the other employees in the action phase; so it can be seen that decision making is a critical and important activity and an important part of the time and effort of managers is dedicated to solve the problem and make decisions. The importance of decision-making is obvious for all as an integral part of the life of each individual and organization and working group. Decision making is the basis of the activities and actions taken in the life of individuals and organizations. Decision making in organization and management is so important that the structure of each organization is primarily determined by the nature of the decision making process in that organization, and the rank of each person in an organization has a direct relation with the amount of control he applies to the decision making process of that organization (Parvizi, 2011). On the other hand, for managers, efforts to ensure the health of the organization, preservation and promotion of its level are prioritized to other activities and tasks that they are responsible for, but the dimensions of organizational health and its importance and role as an effective determinant principle are the unknown concept. The health of the organization can help us in choosing and selecting the appropriate management practices to make it effective. Therefore, the research and conceptualization of organizational health is necessary for the extensive and wide-ranging activities of organizations, and every effort is important for organizational improvement (Haghighatjo et al., 2009). Organizational health creates a pleasant environment for work and effort, raises the constructive spirit and achieves the organizational goals. In a healthy organization, the mission and goals of the organization are clear to everyone. Everyone knows which the accepted

---

[1] . We cannot mention the name of the organization due to the lack of permission of the organization.

values of the organization are, and these values determine the boundaries of behaviors, right and wrong (Akbari et al., 2013, 5). Organizational climate, on the other hand, is a set of organizational traits and characteristics that employees feel and understand, and its emergence is described through the actions, processes and connections of the members with the environment (Saatchi, 2002, 2). The most important consequence of organizational climate is that it affects the perception and sense of employee membership in the organization and determines whether or not they psychologically experience the organization rewarding and desirable, and this, in turn, has a profound effect on the levels of ethics, motivation, satisfaction and willingness of employee to stay in the organization (Mathiue & Farr, 1991, 127). Therefore, the purpose of this study is to examine the relationship between managers' decision-making styles and organizational health with the intermediatory role of organizational climate.

Research literature
Decision making styles of managers

Decision-making means choosing a way out of various ways which exist for action, and it forms the brain and core of planning. A program does not exist unless required decisions are made regarding the provision of resources, direction to move, and the like. Decision making is the core work of managers because they should decide on what to do, who should do the work, the time it takes to work, the place where the work is carried out, and even how it is done. It is thus seen that decision making forms an important part of the activities of managers, and in fact, it is the essence of management (Parvizi, 2011). Also, decision making is one of the controversial subjects in organizations, and managers are constantly faced with the issue of decision-making, decision-making about new activities or solving a problem that has come about. In this regard, Stoner believes that decision-making is a process in which a specific problem-solving technique is chosen for solving a particular problem or issue. Based on the Wermon-Witton model, decision-making methods are placed throughout a continuum from individual to group. In this model, individual decision-making (mandated) is called the decision that the manager uses the existing information and decides on its own. While in consultation decision-making, the manager individually consults with the subordinates on their comments and suggestions, then he makes decision; and in the participative decision making, the manager consult with the group in the process, and through the discussion, he acquires their collective opinion and then makes decision (Bahrami et al., 2012).

The decision-making style is a reaction that we have learned habitually. This habit is the result of a desire to show a response in a particular method at the time of decision making. The findings suggest that people use more than one decision-making style, but one style predominates for them and they use it more (Scott and Bruce, 1995). The decision-making style conceptually represents the type of behavior and the way people behave when faced with decision-making conditions. The decision making style of people expresses the habitual pattern of individuals when make decision. In other words, the decision making style of each individual is his personality approach in understanding and reacting to his own decision making task (Hadizadeh Moghadam and Tehrani, 2008).

Recently, there have been a lot of researches in the field of decision making styles. The effect of individual differences on decision making styles has been studied in these researches. Evidence indicated the relationship between decision-making styles and individual differences among individuals can be understood from the following studies. Scott and Bruce considered the relationship between control and decision-making style. Sonholm conducted his research on the relationship between decision-making style, self-confidence and work control. Gallutty investigated the relationship between decision-making style and individual's attitude toward thinking and learning. The findings from the above researches were very important because they proved that the decision makers' individual differences affect their decision-making behavior.

Organizational health

Organizational health refers to a situation beyond the short-term effectiveness of the organization and points out to a set of relatively durable organizational characteristics. A healthy organization, in this sense, is not only sustainable in its own environment, but it also can be adequately adapted to its own environment in the long run, develop and expand its ability to survive continuously. The members of the educational staff in a healthy organization show high interest to each other and their work, and have high morale; in such an organization, high-level, but achievable scientific goals are set for the staffs. According to Hoy and Mescle (2008), organizational health has seven dimensions including institutional integrity (it is the ability of the organization to adapt to the environment in such a way as to maintain unity and integrity of its programs), the influence of the manager (it is the manager's ability to influence his bosses and superiors, to encourage them to pay more attention to the organization's issues, not to face administrative barriers, hierarchy, not to depend on superiors, all of which are the key to effective leadership, consideration (it mentions the manager's leadership behavior which is open and

friendly; consideration reflects the behavior reflecting respect, mutual trust, cooperation and support), initiating structure (it clearly defines the manager's behavior in identifying work relationships with teachers, job expectations, performance standards, methods of doing work), resource support (providing the essential materials and equipment of the organization's work), the spirit (the collective sense of friendship, being openness and mutual trust among the members of the organization), academic emphasis (it points out to the extent that the educational organization seeks the scientific and cultural superiority and strives to achieve it) (Bahrami et al., 2012).

Organizational health is one of the most coherent and obvious indicators of organizational effectiveness. In a healthy organization, manager has a completely friendly and supportive behavior with his employees and also has integrity in his plans. Employees also tend to further stay and work in the organization and work more effectively (Shariatmadari, 2009, 123).

There are many models in assessing organizational health including the systematic organizational health model (Kaplan and Karvata, 1993), Miles model (1969), Parsons model (1967), Hoy and Fieldsman model (1987-1999), Kringer and Hanson model (1999), and Lynden and Klingle model (2000) (Yosefvand, 2005). Each of the models has been used by various researchers in recent years. By studying these models, the Lynden and Klingle model seems to be more comprehensive and more appropriate. The Lynden and Klingle model examines the organizational health in 11 dimensions, including communication, participation and engagement in the organization, loyalty and commitment, credibility or reputation of the organization, morale, ethics, identification or recognition of performance, target path, leadership, improvement or development of employee efficiency, and resource utilization. Lynden and Klingle (2000) noted about organizational health that organizational health is a relatively new concept, and it does not only include the organization's ability to perform its tasks effectively, but also it includes the ability of the organization to grow and improve. Supervisors in healthy organizations find committed and responsible employees with high morale, open communication channels and high success; and a healthy organization is where people want to stay there, work and be proud of it, and they themselves are beneficial and effective.

Miles (1969) defined a healthy organization as "an organization not only to survive in its own environment, but also to adapt sufficiently in a long time and to constantly develop and expand its survival and compromise capabilities." What is clear in this definition is that a healthy organization has successfully dealt with outside obstacle forces and effectively directs there force to the major goals and objectives of the organization (Hoy and Mescle, 2008).

According to Parsons Theory, organizational health is divided to the three main levels and each dimension is based on the following components:

Technical level: The technical level is located at the bottom of the system where the actual product of the organization is dealt with and includes:

Morale: The morale refers to the feeling of trust, confidence, sympathy and friendship that exists among employees. Employees feel good at each other and at the same time feel that they are doing their job well.

Academic emphasis: This refers to the organization's emphasis on employee learning. The academic goals are set at a high level but achievable for the employees; the learning environment is regular and serious.

Administrative-management level: It is the mediator of the system's internal efforts and controls them, including:

Consideration (observance): It refers to a managerial behavior that is friendly and supportive. Consideration is the reflection of behavior with respect, mutual trust and cooperation; and, in other words, consideration is not the meaning of artificial and compassionate admiration, but it is honest attention to employees as professional colleagues.

Initiating Structure (**Conscientiousness**): It is a behavior that the manager explicitly determines the expectations of the work, the standards of operation and procedure. Initiating Structure refers to the behavior of the manager, which is task-oriented and the success-oriented.

Resources support: It is the amount of material and equipment required by the employees. Resource support refers to an organization that has the necessary materials and resources.

Institutional level: The institutional level relates the organization to its environment, including:

Manager's Influence: It is the ability of the manager to influence the decisions of the superiors. An influential manager is encouraging and works with superiors in an effective way, but at the same time, he is independent in his own thinking and practice.

Institutional integrity: It is the ability of the organization to adapt to the environment and compromise with methods that maintain the health of the organization's programs (Hoy and Mescle, 2003).

Organizational climate

The organizational climate was first introduced by Kurt Lewin in 1951. He suggested that the behavior of a person is subject to his environment. This concept evolved in the literature of the 1960s. Two important factors in the evolution of the literature of organizational climate are studies of Forehand and Gilmer and James and Jones (Thomas, 2006, 30). The nature of organizational climate is to reveal how employees understand their work environment and what is their interpretation of the organization. A better understanding of organizational climate can be fundamental to improving the level of production, motivation and degree of employee satisfaction (Ibid, 2-10). Organizational climate is highly dependent on the way employees are structured in terms of management hierarchy, so that senior managers in an organization cannot create a very strong organizational climate in the organization, but rather low level employees can change organizational climate and weaken or strengthen it (Ibid, 48-54). In today's highly competitive world, organizations are constantly looking for new ways to maximize their employees' performance and effort.

The necessity of appropriate organizational climate and employee motivation is high for the survival and well-being of organizations; certainly, an innovative organization would not exist with no creative employees and support for creativity in work environment (Paramitha and Indarti, 2014). Given that organizational climate results from the efforts and interactions of groups inside the organization, managers and employees; it influences employees' behavior and is effective in satisfaction of employees. Therefore, knowing organizational climate as much as possible can increase the level of employee performance. Thus organizations must provide the field in a way so that their employees and managers apply all their experiences, abilities and capacities to enhance their organizational goals. Brown and Moberg (1980) argued that the organizational climate is a set of culture, customs, and practical practices that have been observed by members of the organization that: (1) describes the organization, (2) separates the organization from other organizations and institutions, (3) is relatively durable over time, and (4) affects and drives individuals. Organizational climate, on the other hand, has influenced employees' willingness to do things beyond their role in the organization, so that both the individual and the organization benefit from this performance of the employees. Litwin and Stringer (1974) defined organizational climate as a set of measurable characteristics in the workplace, which is directly or indirectly perceived by those who work in this environment and is influenced on their motivation and behavior (Litwin and Stringer, 1974, 13). In the definition of organizational climate, as well as other definitions of management areas, different definitions are provided. Some consider it to be the same environment. Organizational climate refers to a set of elements that are outside the scope of an organization, but in general, these elements and factors are influential in the activities of an organization. Alagheband (2004) found the organizational climate as all external and internal factors of an organization that surrounds it.

Organizational climate types

The transcendental organizational climate of the past few decades has been raised as an important challenge in management science. Each organization has its own culture, customs, values, norms, and special and relatively stable action methods that the behavior of each one can be predicted based on these characteristics, which the characteristics allow us to recognize an organization different from other organizations is called the organizational climate (Alavi, 1381, 12). In the 1960s, Halpan and Kraft conducted a study on organizational climate that identified six types of organizational climate including:

Open climate: In this climate, teachers (employees) have high morale and work well without aggression and conflict with each other. Management policies facilitate tasks and affairs, and they do not bother each other, and teachers enjoy friendly relationships together.

Autonomous climate: Teachers have a fairly complete freedom in the climate, so that they can find inter-group ways to meet their social needs. Teachers (employees) are busy with their job and can easily and quickly achieve their goals.

Controlled climate: Controlled climate is further determined by the pressure that imposes to achieve the goals of the organization at the expense of meeting social needs. Everyone is working hard and have little time for friendly communication with each other. This climate is further emphasized on the task.

Friendly climate: In this climate, manager believes that all members are a family. He avoids doing things that hurts his members' emotions.

Paternal climate: Teachers do not work well together and this leads to a lack of coordination among them. Teachers do not have friendly relationships and their morale is noticeably low. The manager focuses on the supervision and control of teachers wherever he is.

Closed climate: In this climate, teachers do not engage in the organization's affairs. Job satisfaction of teachers (employees) is at a low level. Teachers are trying to satisfy themselves through communication and private relationships. Most teachers are interested in leaving their job (Mirkamali, 2001).
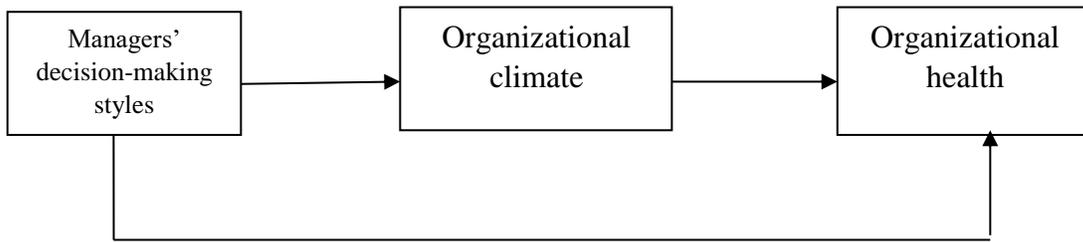
Figure 1: Conceptual research model

Research hypotheses
There is a significant relationship between managers' decision making styles and organizational climate.
There is a significant relationship between managers' decision making styles and organizational health.
There is a significant relationship between organizational climate and organizational health.
There is a significant relationship between managers' decision making styles and organizational health due to organizational climate.

METHODOLOGY

The purpose of this study was to investigate the relationship between managers' decision making styles, organizational climate and organizational health. The data for the present study were collected from a questionnaire whose validity was tested. The researcher used the Scott & Brads' questionnaire of decision maker style of managers (0.83), Hallipin & Kraft (1963) organizational climate questionnaire (0.88), and Hoy & Fidman (1996) organizational health questionnaire (0.84) for collecting data. The data were analyzed by LISREL software. The statistical population in this study was 120 employees. In this research, 91 employees were selected as the sample using simple random sampling. In the present study, the model of measurement was obtained after drawing the analytical model of the research based on the data by the Path diagram with the implementation of the Perlis program of LISREL software, which was tested using the coefficients B and t test of hypotheses. The model's fitness indices have also been calculated automatically by performing the Perlis program for the model.

Data analysis

Table 1: Fitness indices of the research model

Fitness index	Standard values	Estimated values
Degrees of Freedom	---	461
Chi-Square	The criterion is not suitable due to the dependence on the sample size.	1172.83
RMSEA	0.05	0.088
NFI	0.90	0.91
NNFI	0.90	0.94
CFI	0.90	0.95
RMR	0.05	0.062
GFI	0.90	0.75
AGFI	0.90	0.72

As it can be seen in Table 1, the compliance or goodness indicators of fitness are relatively acceptable.

Structural model test
In this research, a confirmatory factor analysis method was used to test the model of measurement and analysis of the pathway to measure the structural model of research. The two Figures below represent the general models of the output of LISREL software, which simultaneously include both the structural model and the measurement model, which are further elaborated and discussed below.
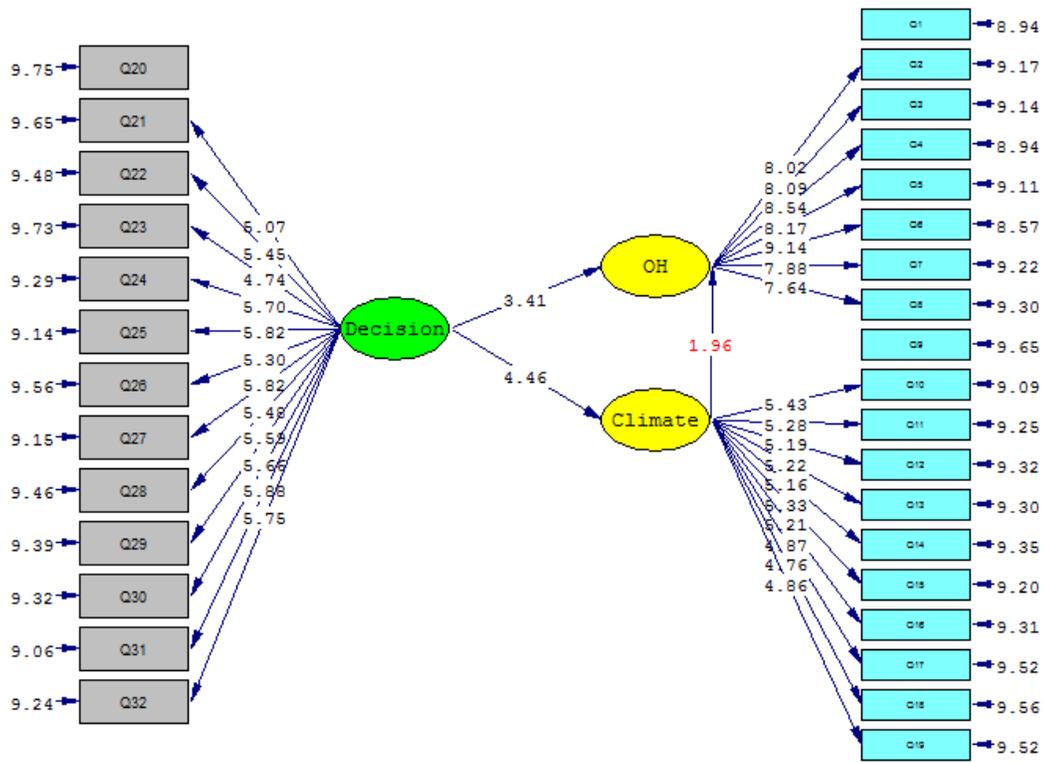
Chi-Square=1172.83, df=461, P-value=0.00000, RMSEA=0.088

Figure2: Basic model with t values

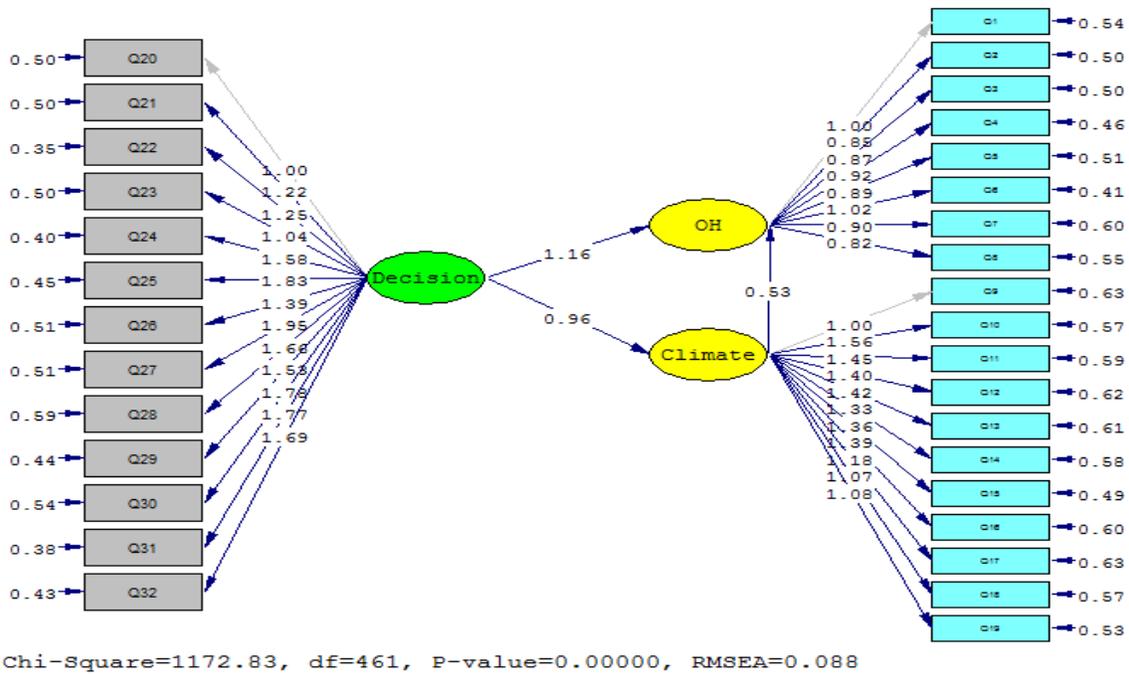Chi-Square=1172.83, df=461, P-value=0.00000, RMSEA=0.088

Figure 2: Base model with path coefficients

Findings and analysis of results

Hypothesis 1: There is a significant relationship between managers' decision making styles and organizational climate.

Table 2: Test results of hypothesis 1

Hypothesis	Path coefficient	t-statistics	Result
1. There is a significant relationship between managers' decision making styles and organizational climate.	0.96	4.46	Acceptable

Based on the results shown in Table 2, the effect of the independent variable on the dependent variable is supported by the data, and the path to which these two variables are related is positive and significant (it is significant in error level of 5%) (t=4.46, β_{22}=0.96). As a result, it can be said with confidence level of 95% that there is a significant relationship between managers' decision making styles and organizational climate.
Hypothesis 2: There is a significant relationship between managers' decision making styles and organizational health.

Table 3: Test results of the second hypothesis

Hypothesis	Path coefficient	t-statistics	Result
1. There is a significant relationship between managers' decision making styles and organizational health.	1.16	3.41	Acceptable

Based on the results shown in Table 3, the impact of independent variable on the dependent variable is supported by the data, and the path connecting these two variables is positive and significant (it is significant at the error level of 5%) (t=2.87, β_{22}=0.34). As a result, it can be said with confidence level of 95% that there is a significant relationship between managers' decision making styles and organizational health.

Hypothesis 3: There is a significant relationship between organizational climate and organizational health.

Table 4: Test results of hypothesis 3

Hypothesis	Path coefficient	t-statistics	Result
1. There is a significant relationship between organizational climate and organizational health.	0.53	1.96	Acceptable

According to the results shown in Table 4, the impact of independent variable on dependent variable is supported by data, and the path between these two variables is positive and significant (at a level of error of 5%) (t=1.96, β_{22}=0.53). As a result, it can be stated with confidence level of 95% that there is a significant relationship between organizational climate and organizational health.

Hypothesis 4: There is a significant relationship between managers' decision making styles and organizational health due to the organizational climate.

Table 5: Test results of hypothesis 4

Hypothesis	Path coefficient	Result
1. There is a significant relationship between managers' decision making styles and organizational health due to the organizational climate.	0.96×0.53=0.50	Acceptable

The test result of hypothesis 4 is studied according to the information in Table 5. Investigating the intermediatory role of organizational climate between managers' decision making styles and organizational health is so that if the direct impact of managers' decision maker styles is confirmed on organizational climate, and also the direct impact of organizational climate is confirmed on organizational health, then the intermediatory effect of the organizational climate is also confirmed between managers' decision making styles and organizational health. The exogenous variable path coefficient of the managers' decision making styles on indigenous variable of organizational climate is 0.96; it is significant with t=4.46 at an error level of 0.05 and a confidence of 0.95; and a indigenous variable path coefficient of organizational climate on organizational health variable is 0.53; and it is significant with t=1.96 at error level of 0.05 with confidence of 0.95. As a result, the influence of the intermediatory

role of organizational climate between managers' decision making styles and organizational health is 0.96 × 0.53= 0.50, and the assertion of the researcher is confirmed.

CONCLUSION

The results of the first hypothesis showed that the amount of path coefficient between decision making styles of managers and organizational climate was equal to 0.96 and the corresponding t value was 4.46>1.96, which according to t test, null hypothesis can be rejected with a critical value of 0.05 at confidence level of 95%. As a result, the first hypothesis of the researcher was confirmed, and it can be stated with confidence of 95% that there is a significant relationship between decision making styles of managers and organizational climate.

The results of the second hypothesis showed that the amount of path coefficient between organizational climate and organizational health was equal to 0.53 and the corresponding t value was 1.96>1.96 which according to t test, null hypothesis can be rejected with a critical value of 0.05 at confidence level of 95%. As a result, the second claim of the researcher is approved; and it can be stated with confidence of 95% that there is a significant relationship between organizational climate and organizational health.

The results of the third hypothesis showed that the amount of path coefficient between managers' decision making styles and organizational health was equal to 1.16 and the corresponding t value was 3.41>1.96, which according to t test, with null hypothesis can be rejected with a critical value of 0.05 at confidence level of 95%. As a result, the third claim of the researcher is approved; and it can be stated with confidence of 95% that there is a significant relationship between decision making styles of managers and organizational health.

The results of the fourth hypothesis showed that the amount of path coefficient between decision making styles of managers and organizational climate was equal to 0.96 and the corresponding t value was 4.96>1.96, and the rate of path coefficient between organizational climate and organizational health was 0.53 and the corresponding t value was 1.96>1.96, which according to the t test, it can be stated that the null hypothesis can be rejected with a critical value of 0.05 at a confidence level of 95%. As a result, the intermediatory role of the organizational climate between the decision making styles of managers and organizational health is equal to 0.96×0.53=0.50 and the fourth hypothesis of the researcher is confirmed.

REFERENCES

Akbari, M., Shakiba, H., Ziyaie, M.S., Marzban, Sh., and Razi, S. (2013). The Study of the Relationship between Organizational Health and Organizational Entrepreneurship (Case Study: University of Tehran), Journal of Public Administration, Vol. 5 (1): 1-20.

Alagheband, A., (2004). Theoretical Foundations and Principles of Educational Management. Ravan Press.

Alavi, H.R. and Jahandari, R., (2002). Study and comparison of organizational climate of Shahid Bahonar University of Kerman with organizational climate from the viewpoint of the staffs of this university. Humanities Journal of Sistan and Baluchestan University, Specialty of Educational Sciences and Psychology.

Bahrami, S., Rajaeepour, S., Keyvanara, M., Raesei, A.R., and Kazemi, A., (2012). A study of the relationship between managers' decision making styles and organizational health in Isfahan University of Medical Sciences. Iran Occupational Health, Vol. 9 (3): 96-104.

Hadizadeh Moghadam, A., and Tehrani, M., (2008). Investigating the relationship between public decision-making styles of managers in government organizations. Journal of Public Administration, Vol. 1 (1): 123-138.

Haghighatjou, Z., Shafighpour, M.R., Soltani, A.R., Ansari, H., and Haghighatjou, Z., (2008). Investigating the relationship of managers' thinking and entrepreneurship style with organizational health of the employees of Iranian Medical Universities. Quarterly Journal of Urmieh Nursing and Midwifery Faculty, 7 (1): 13-20.

Hoy VK, Mescle C. (2008). Theory, research and practice in educational administration. Translated to Persian by: Abaszadeh S. Urmia: Urmia University pub; 2008: 88-46.

Litwin,G.H. and Stringer,R.A.(1974),Motivation&Organizational Climate, 4rd Ed., Harvard University,Boston, 1974.

Lyden, J.L and Klingle, W,2000. "Supervising Organizational Health". Supervision Journal, PP: 3-5.

Lynden JA & Klingle WE. Supervising organizational health and student performance implication for school reform initiatives[Thesis]. The Pennsylvania State University; 2000.

Mathiue, J.E, Farr,J.L.(1991). Further evidence for discriminate validity of measures of organizational commitment, job involvement and job satisfaction. Journal of Applied psychology, 76,127.

Mirkamali, S.M. (2001). Human relationships in the school, Yastaroon Press.

Paramitha, A. and Indarti, N., (2014). Impact of the Environment Support on Creativity: Assessing the Mediating Role of Intrinsic Motivation, Procedia - Social and Behavioral Sciences Volume 115, 21 February 2014, Pages 102-114.

Pravizi, A., (2011). Investigating the relationship between personality type and decision making styles of school principals in West Azarbaijan province. Shahid Rajaee secretary training school, Faculty of Humanities.

Scott, S. G., & Bruce, R. A. (1995). "Decision-making style: The development and assessment of a new measure". Educational and Psychological Measurement, 55(5), 818-831.

Shariatmadari, M., (2009). Investigating the relationship between organizational health and the effectiveness of managers of Education Management Schools in Tehran, Journal of Educational Sciences. Vol. 2 (6): 119-151.

Thomas, John Charles (2006), Administrative, Faculty and Staff Perceptions of Organizational Climate and Commitment in Christian Higher, A Dissertation Presented in Partial Fulfillment Of the Requirements for the Degree Doctor of Philosophy, Capella University.