Research on the Influence of Organizational Culture and Organizational Restructuring on Organizational Performance: Taking Old Folks Nursing Organization in Taiwan as an Example

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ABSTRACT

The main purpose of this research is to examine and prove the influence of organizational culture and organizational restructuring on organizational performance. Taking old folks nursing organization in Taiwan as an example, we have conducted investigation with questionnaires with the sample collecting method of Convenience Sampling and also conducted Confirmatory Factor Analysis and path analyses with Structural Equation Model (SEM). Results of the research show that organizational culture and organizational restructuring both have obviously positive influences on organizational performance.

Keywords: organizational culture, organizational restructuring, organizational performance

INTRODUCTION

Research-incentive

Beginning in 1993, Taiwan’s population structure has officially transformed to a social structure heavily populated with gray-haired citizens. The population of people in Taiwan at an age of 65 or above accounted for 7.1% of the total population in that year and the percentage had increased yearly. By the end of 2010, Taiwan’s population of people at an age of 65 or above has reached 2,487,893, accounting for 10.74% of the total population. There was one person in every 10 persons at an age of 65 or above. The senility index was 68.6% and had increased 10.5% for the past three years (The Executive Yuan, 2011) . As the population leans to a structure heavily populated with gray-haired citizens, the most immediate influence is on the change in population structure. We have sorted out the following changing trends: a. The life span of old folks is further extended. b. The educational level of old folks is getting higher. c. The number of new-born babies will decrease persistently in the future. d. The aging of the population is increasing. According to the calculation and estimation of the Council for Economic Planning and Development (The Executive Yuan, 2008), the population of people in Taiwan at an age of 65 or above accounted for 10% in 2005. It will have increased 14% in 2017 and is expected to increase 20% by 2025. This means that the population of senility population would increase 100% in as short as 20 years.

How to help old folks live longer and better is an important issue. The most common way of handling old folks include: a. living with children b. living with spouse or cohabitant c. living alone 4. staying at old folks’ home or nursing organization. The Organization for Economic Cooperation and Development presented a policy in 2009 to ensure old folks age in healthy conditions. The important structure of policy promotion strategy include the following measures: a. improving the integration between old folks with economic and social living b. building a better lifestyle c. building healthcare system meeting needs of old folks; and monitoring social and environmental factors exerting influence on
The health of old folks.

The Ministry of the Interior conducted an investigation on health conditions and residential, economic, and social activities of old folks at age of 65 or above and their everyday living problems in 2009. The investigation indicated that the percentage of old folks willing to live at old folks’ homes or nursing organizations if they could not handle their everyday living was 42.4% (The Ministry of the Interior, 2009). Most old folks were unwilling to become a burden to their family and chose healthcare by way of nursing home. This indicates the growing need for long-term healthcare organizations. The number of such organizations increased from 608 in 2001 to 805 in 2010 (The Ministry of the Interior, 2010). The increase in such organizations also meant that competition among them has also increased. When faced with competition, they would consider their financial and manpower costs, price competition with peer organizations, restraints by current law and regulations, and marketing strategies, etc. An organization needs to implement constant changes and upgrade organizational performance to ensure that it will not be washed away. An organization needs to cultivate a culture that encourages changes. Organizational restructuring would have much less effect or even an adverse impact if it is without the support of the culture of the organization (Tseng Hua-chen, 2006).

This is the motive for the author in conducting research and writing this dissertation. In other words, the target of this research is Taiwan’s old folks’ nursing organizations. The subject of this research is on the influence of the culture of these organizations and organizational restructuring on organizational performance. The purpose is to confirm the influence of the culture of organizations and organizational restructuring on organization performance. We have also presented our suggestions as a reference to the actual task of upgrading the performance of old folks’ nursing organizations in Taiwan.

Research Purpose

The concrete purpose of this research is as follows:

a. Examining and verifying the significant positive influence of the culture of old folks’ nursing organizations on organizational performance
b. Examining and verifying the significant positive influence of organizational restructuring of old folks’ nursing organizations on organizational performance
c. Serving as a reference to old folks’ nursing organizations

LITERATURE REVIEW

Relevant literature on Organization Culture

Mitchell and Yate (2002) pointed out that the culture of an organization is the combination of value, faith, and understanding shared by members of the organization. The culture of an organization is an important factor in evaluating its competitiveness and reflects unique characteristics of the organization. It has a close relationship with the organization’s core competition (Huang Li-hui, 2009). The culture of an organization is often referred to when exploring behaviors of an organization. The culture of an organization requires a long time to come into shape and evolve. Many foreign and domestic scholars have their own definition and views on the culture of an organization. It is a behavioral norm for its employees and serves to quietly transform their characters and behaviors. It signifies a common awareness among employees on the organization and forms unique features different from other organizations. This is why it has covered profiles of individuals, groups, and organizational systems (Wu Ping-en, 1986).
Li Ying-chung (2002) believed that the culture of an organization is the product of the interaction between long-term operation of internal systems of an organization and external environment. It is the integration among value, faith, awareness, thoughts, and action. Its formless existence, however, can confine the action and performance of members of the organization and the organization itself.

Tseng Hua-cheng (2006) pointed out that the culture of an organization is the form revealed by common faith and expectations of an organization. Daft (2006) believes that the culture of an organization is the important judgments of value, faiths, ways of thinking, and behavioral norms shared by all members of an organization. Liu Yung-fu (2004) mentioned that fine culture of an organization can improve organizational efficiency and raise productivity. All these have helped this research in making the following hypothesis:

**Hypothesis 1 (H1): The organizational culture of old folks’ nursing organizations has an obvious favorable influence to organization performance.**

1. Evaluation on Organizational Culture

Deal, McKinsey, and Kennedy had conducted research on 18 outstanding companies such as NCR, GE, and IBM. They believed that the shaping of organizational culture could be best exemplified by corporate environment, judgment of value, heroic figures, ceremony and ritual, and communication network (Deal & Kennedy, 1984).

Contentions of Campbell and others could be tested by degree of freedom of employees, degree of organizational framework, degree of compensation of an organization, degree of empathy of executive of an organization, and degree of conflict among organization members.

Quinn & McGrath (1985) divided the profile of “organizational culture” into the following sub-profiles based on the awareness of members of the organization and information processing:

a. Reasonable culture: Reasonable culture holds the fundamental presumptions of “stressing efficiency.” “seeking objectiveness”, and “pursuing work orientation”. Efficiency, productivity and profit are major core values. This kind of organization stresses scientific efficiency and holds that only through reasonable selection of manpower can the environment be actively improved. This is why one should be devoted to analyses on cost efficiency. A clear objective, personal judgment, and decision are measures to achieve a maximization of performance. The culture of a reasoning organization is objective-oriented. This culture appears mostly in commercial and profit organizations. This research has defined the operability of this sub-profile as “concentration of power of organization; capability to integrate activities; core values of efficiency, efficacy, and objective-orientation; and stress on the development of capabilities.”

b. Developing culture: Developing culture hold the fundamental presumptions of “creating future,” “conquering environment”, and “upholding idealism”. Its purpose is to pursue innovation, adventure, and growth. This kind of organization is mostly composed of members willing to fight for their ideals. Performance of the organization depends on external support and fight for resources. Innovation and restructuring are important measures to expand organizational resources and win over external support. Therefore, developing culture presents features of innovation orientation and strenuous pursuit of progress. This kind of organizational culture most often appears in newly-developing organizations or at the stage of organizational upgrading and expansion. This research has defined the operability of this sub-profile as “promotion of division of power in organization; stress on external competition and growth of organization; and stress on charisma leadership and innovation and development of organization.”

c. Consensus Culture: Consensus Culture is an organizational culture which holds the fundamental
presumptions of “crowd relationship”, “caring support,” and “harmonious gathering.” Its purpose is to pursue brain-storming and diversified participation. It stresses internal atmosphere of harmony in the organization. The basis of power is distributed to various members of the organization. Organizational performance depends on morale, cohesion, and teamwork of the organization. Through discussion, participation and consensus-reaching, exchanges of messages can be achieved among members of the organization. The process of interaction among them is friendly and cooperative, thus promoting high morale and faith of members to the tasks of the organization. This is why consensus culture shows of member-supporting features. This kind of culture often appears in small-sized family enterprises and organizations. This research has defined the operability of this sub-profile as “full authorization of power, participation by employees, stress on teamwork, and group discussion.”

d. Echelon culture: Organization culture of culture holds “acting in accordance with the law,” “echelon control,” and “strenuous pursuit for stability.” It stresses concentration of power and also the stable functioning of internal systems. Official law and regulations and administrative procedures prompt the action of members of the organization. Features of echelon culture include values such as stability, control, predictability, coordination, and accountability. Therefore this kind of culture is regulation-oriented and basically easy to appear in organizations with an echelon structure. This research has defined the operability of this sub-profile as “concentration of power, stress of internal integration process, confinement of organizational behaviors by echelon, stability, and law and regulations, all of which belong to a cultural background mode of ordinary echelon organizations.

In terms of current organizational design, enterprises and non-profit organizations are mostly of developing organizational culture or consensus organizational culture. On the other hand, government organizations are mostly of reasoning organizational culture or echelon organizational culture (Tseng Hua-chen, 2006; Hsu Nan-hsiung, 2007).

To sum up, many studies on types of organizational culture have referred to “consensus culture,” “developing culture,” “reasoning culture,” and “echelon culture.” This is agreeable to organizational cultural profiles proposed by Quinn & McGrath (1985). The said organizational cultural mode is still widely adopted till this day. Accordingly, this research has adopted the classification of Quinn & McGrath in order to construct part of the profiles in conducting confirmatory analyses.

Relevant Documents of Organizational Restructuring

Hu Chia-chih (2007) has defined “organizational restructuring” as follows: “In the premise of an organization being an open organism, the organization must implement adjustments and changes along with changes in internal and external environments. The internal adjustment objective is to improve attitudes and behaviors of members of the organization and upgrade organizational culture. The external adjustment objective is to ensure internal organizational advantages be put into full play on opportunities in external environment in order to achieve stable growth of the organization, thus upgrading the performance of the organization. This strategy to adjust the environment and restructure the organization is named organizational restructuring.

Jones (2001) believes that “organizational restructuring is the process to enhance efficiency toward the future status from changes of the current status to expectations. The final objective is to completely restructure the organization, cultivate new culture, come up with new methods of production and treatment, new organizational pattern or new labor efficiency in order to make the organization effectively adjust to the environment. The needs of employees can thus be satisfied and the enterprise can achieve sustainability.”
Leavitt believes that the path of restructuring is mainly through Structural Approach, Technological Approach, and Behavioral Approach. All the above-mentioned approaches are commonly applied methods when an organization implements restructuring.

Based on the viewpoint of Lewin (1958), organizational restructuring is divided into three-step procedures, namely Unfreezing, Change or Movement, and Refreezing. The adopted methods of management include presentation of work requirements, offer of new incentive measures, and strengthening of encouragement of members of the organizations to keep or improve their behaviors. The restructuring procedures mentioned by Lewin are a very reasonable process of change in agreement to human behaviors. However, its actual implementation is rather difficult and requires patience and perseverance in order to achieve the preset goal of the restructuring.

R. Lippitt, J. Watson, and B. Wesley have further expanded the restructuring model and divided it into the following five stages: promoting structural needs, defining restructuring relationships, vigorously implementing restructuring measures, maintaining stable restructuring, and ending assisting relationships (Lippitt, Watson & Wesley, 1958).

French (1978) believes that real-practice research should be applied to the process of organizational restructuring, with major activities including: exploration and investigation on issues, opportune involvement of promoter of the restructuring, collection of relevant materials, feedback of information to service users, joint planning and action, and restructuring action taking, and evaluation of results.

To sum up, various restructuring models are in some degree similar in actual contents and procedures and need to the assistance of outside promoters. They also need the cooperation among people inside and outside the organization. They also rely on effective collection, analysis, application, and feedback of materials. Most importantly, all these have tried to implement the systemization of the restructuring. Therefore, the integration of the said models can serve as the basis for a generic model (Wu Ping-en, 1986).

Referring to profiles of organizational restructuring, Leavitt (1964) believes that an organization is composed of four mutually interacted profiles, namely task, people, technology, and structure.

a) Task restructuring: The so-called task is major tasks in an organization, for example, production and manufacturing, and service trades. It stresses external control, attaches importance to things an organization should do as well as products or services. This research has defined the operability of this sub-profile as “Regarding the output of products and services of an organization, new products include a little change in existing products or a brand new assembly line. The degree of external direction and control is stressed, and things which should be done by an organization and changes in its products or services should be paid good attention.”

b) Constitutive Restructuring: Structure represents communication system, systems of rights and obligations and management and system of work procedure. Internal control is stressed and great importance is attached to system of limits of rights, organizational echelon, and departmentation, etc. This research has defined the operability of this sub-profile as “stressing the degree of international direction and control; paying good attention to changes in the system of limits of rights, organizational echelon, departmentation, etc.”

c) Personnel restructuring: for example, changes in number, attitude, or technology of employees in an organization, stress on internal flexibility, stress on interpersonal relationship, and adjustment on judgment of value and attitude as a worker in an organization. This research has defined the operability of this sub-profile as “stress on the keeping of internal direction and flexibility, stress on adjustments on interpersonal relationship and judgment of value and attitude as a worker in an
organization, for example, changes in the number of employees, judgment of value, attitude or skills in an organization.”

d). Technological restructuring: namely tools to help the implementation of procedures, for example, mechanism to conduct work evaluation or computer; stress on degree of external flexibility; and stress on organizing technology, management procedures, and information technology of production systems. This research has defined the operability of this sub-profile as “technology applied in production and services; technological innovation or improvement; stress on the keeping of external direction and flexibility; stress on the transfer such as organizing technology, management procedures, and information technology of production systems.” (Tseng Hua-chen, 2006)

The said four profiles have very high interdependence. If any one changes, it will affect the others. For example, new technology introduced by an organization can lead to changes in existing structure (for example, communication mechanism, decision-making models, etc.); changes in tasks (for example, production, manufacturing, and service); personnel changes (for example, number, skills, and work contents of employees). This is why Leavitt, when exploring organizational changes, could find changes from one or more above-mentioned profiles.

To sum up, after reviewing many documents, we have found quite a few studies in the type of “organizational restructuring” mentioning the following four concepts: personnel, technology, task, and structure. This is in agreement with the profiles of organizational structuring proposed by Leavitt (1964). The said organizational restructuring model is still widely applied till this day. Accordingly, this research has decided to adopt the classification of Leavitt in implementing part of the profiles when conducting confirmatory analysis.

**Relevant Documents of Organizational Performance**

Evans (1996) pointed out that organizational performance evaluates the degree of completion of the strategic goal of an enterprise. It is an indicator of the overall competitiveness of the enterprise. Evaluation on suitable organizational performance is able to help organization managers to understand the current status of the organization. Most commonly used indicators include income, output, and profit rate of an organization. Drucker (1966) gave good interpretations on “efficiency” and “efficacy.” Efficiency is “doing the thing right,” while efficacy is “doing the right thing.” Efficiency and efficacy should not overly lean on each other. Organization managers should adopt correct management strategies to achieve efficiency and efficacy, but this does not mean that efficiency and efficacy are of the same importance. We of course hope that efficiency and efficacy can be upgraded at the same time. However, when this could not be achieved, we should place our priority on efficacy, the upgrading of efficiency taking second place. This echoes with Scholar Hsu Nan-hsiung’s (2007) view on modern organizational management. We should not only seek “efficiency,” but also “efficacy.” This is also the true functions of management – measures such as leadership, planning, decision-making, coordination, and communication, all of which should be paid attention to and interconnected. This is why “efficiency” and “efficacy” should be jointly named “organizational performance.”

When executing an assignment, members of an organization are often incapable of monitoring resources invested in the assignment and the output. Even with a hope to achieve the biggest output with the smallest resource, they often could not meet the demands of the organization perfectly, or even when they have met the demand of the organization, they have depleted organizational resources. Therefore we should first achieve our goal with reasonable strategy and then invest necessary resources to achieve efficacy. This is why Drucker believes that efficacy is more important then efficiency. The most important
thing is to achieve the goal demanded by the organization, which could be reached with devotion in “efficacy”.

Based on the above-mentioned contention, this research has defined performance as “At the time of pursuing efficacy, we should resort to reasonable and correct strategy to achieve an upgrading of efficacy.” In other words, “favorable influence of organizational culture on organizational performance” and “favorable influence of organizational restructuring to organizational performance,” which this research intends to mainly explore, are mainly centered on “organizational efficacy” in organizational performance. In addition, Hsu Nan-hsiung (2007) believes that organizational restructuring refers to the process of adjustments to reach goals of survival and development by upgrading organizational culture and the capabilities of and members of the organization aimed at better adapting to environmental changes and keeping a balance. We can therefore conclude that any organization making effort to try altering the existing status belongs to the realm of organizational restructuring. Through the restructuring process, an organization can achieve several benefits, for example, operating more efficiently; reaching a balanced growth; achieving timeliness, and ensuring more flexible capability to adapt. However, any restructuring basically has the ultimate goal of increasing work efficiency and upgrading organizational efficacy.

Based on a review of the above-mentioned documents, this research presents the following presumptions:

**Hypotheses 2 (H2): Organizational Restructuring of Old Folks’ Nursing Organizations Has a Favorable Influence on Organizational Performance**

**RESEARCH METHOD**

**Research Organization**

![Research Framework](image)

**Design of Questionnaires**

Regarding the design of questionnaires, this research has adopted the design of measuring scale on
organizational culture by Sun Jui-ying (2002) and Tseng Hua-chen (2006). The design of the said quantitative table mainly takes the reference of “Questionnaires to Diagnose Organizational Culture” based on Competing Values Framework (CVF) of Quinn (1988) and a revision of “Measuring Scale on Organizational Culture” by Cameron & Quinn (1999) and other documents. Here organizational culture is divided into the four profiles of consensus culture, developing culture, reasonable culture, and echelon culture. Each profile has six questions, with a total of 24 questions, which adopts the Likert scale. Scores from 5 to 1 are given by degree of agreement or disagreement. A score of 5 means highly agreeable, while a score of 1 means highly disagreeable. The higher the degree of agreeableness, the higher the score, and vice versa.

Regarding the design of the questionnaire on organizational restructuring, it has integrated measuring scales on organizational restructuring by Tseng Hua-chen (2006), Lung Shih-chang (2001), and Chin Chih-ta (1996). It is divided into four profiles, namely task restructuring, constitutive restructuring, personnel restructuring, and technological restructuring. Each profile has 4 questions, with a total of 24 questions. It has adopted the Likert scale. Scores from 5 to 1 are given by degree of agreement or disagreement. A score of 5 means highly agreeable, while a score of 1 means highly disagreeable. The higher the degree of agreeableness, the higher the score, and vice versa. The higher the score, the higher the degree of restructuring.

Regarding the design of questionnaires on organizational performance, this research, stressing the efficacy of organizational performance, has adopted research questionnaires by Huang His-min (2004) and Sun jui-ying (2002). All questions in the said questionnaires are formulated into a sub-profile, namely “organizational efficacy.” The said sub-profile has eight questions, with the application of the Likert scale. Scores from 5 to 1 are given by degree of agreement or disagreement. A score of 5 means highly agreeable, while a score of 1 means highly disagreeable. The higher the degree of agreeableness, the higher the score, and vice versa.

**Sampling Methods**

This research has adopted Convenience Sampling, with its questionnaires targeted on old folks’ nursing organizations in Taiwan. It distributed 10 copies of expert questionnaires as a pre-test. After revising the said questionnaires based on the suggestions of the said experts, a post-test was conducted before officially distributing 300 copies of the questionnaires. The number of effective samples was 265 copies, with a retrieval rate of 88.33%.

**Data Analysis Methods**

In order to examine and verify the research structure presented by this research, we have adopted Structural Equation Model (SEM) when conducting Confirmatory Factor Analysis (CFA) based on the structure of the research model. This research has divided the questionnaires into three main latent variables profiles, namely organizational culture, organizational restructuring, and organizational performance. Each main profile is divided into the following explicit variable sub-profiles. Each sub-profile has several questions for the purpose of investigation and analysis. The following table shows numbers of questions of main profiles and sub-profiles on the questionnaires for this research.
Table 1: Numbers of Questions in Main Profiles and Sub-profiles of the Questionnaires

<table>
<thead>
<tr>
<th>Main Profile</th>
<th>Sub-profile</th>
<th>Number of Questions</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>Developing Culture</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reasonable Culture</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Echelon Culture</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td>Constitutional Restructuring</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personnel Restructuring</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technological Restructuring</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reliability and Validity of Questionnaires

After retrieving questionnaires, we have conducted analyses on reliability, validity, and confirmatory factors. The results indicate that regarding credibility, the evaluation coefficients of various profiles are all above 0.7 and the values of composite reliability are all above 0.6. These figures are in agreement with Bagozzi & Yi (1988)'s emphasis that CR should at least be above 0.6. Reliability is also an important factor in building validity (Kuo, 2004; Chou, 1999; Lee, 2011). As a result, the reliability and validity of the measuring scales used in this research are good. In validity, t value of all questions of various profiles in the research is well over 2, indicating there is a good convergent validity. In differentiating validity, the result shows that the difference before and after the integration of profiles is obvious and well above 3.83. This indicates that the measuring scale of this research has good content validity. Please refer to Table 2 Evaluation Coefficient of This Research.

Table 2: Evaluation Coefficient of Measuring Scale of This Research

<table>
<thead>
<tr>
<th>Reliability Measuring Scale</th>
<th>Organizational Culture</th>
<th>Organizational Restructuring</th>
<th>Organizational Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation Coefficient</td>
<td>0.82</td>
<td>0.85</td>
<td>0.76</td>
</tr>
</tbody>
</table>

RESULTS AND ANALYSIS

Analysis on Structural Equation Model

This research has adopted structural equation modeling to implement analysis on confirmatory factors. The major part of the analysis is in the measuring on two basic questions in the field of social sciences, causal relationship among variables, and realms in which they could explain. Therefore, structural equation modeling (SEM) can effectively solve these questions. AMOS is a statistic program used to test structural formulae.

Analysis on Overall Model Suitability

The following is the structural equation matrix of this research:
a. Evaluation Matrix with External Variables

\[
\begin{pmatrix}
X_1 \\
X_2 \\
X_3 \\
X_4 \\
X_5 \\
X_6 \\
X_7 \\
X_8 \\
\end{pmatrix}
= \begin{pmatrix}
\lambda_{11} & 0 \\
\lambda_{21} & 0 \\
\lambda_{31} & 0 \\
\lambda_{41} & 0 \\
0 & \lambda_{52} \\
0 & \lambda_{62} \\
0 & \lambda_{72} \\
0 & \lambda_{82} \\
\end{pmatrix}
\begin{pmatrix}
\xi_1 \\
\xi_2 \end{pmatrix}
+ \begin{pmatrix}
\delta_1 \\
\delta_2 \\
\delta_3 \\
\delta_4 \\
\delta_5 \\
\delta_6 \\
\delta_7 \\
\delta_8 \end{pmatrix}
\]

b. Evaluation Matrix with Internal Variables

\[ Y = \lambda \eta + \epsilon \]

c. Structural Equation Modeling

\[ \eta = \gamma_{31} \xi_1 + \gamma_{32} \xi_2 + \zeta \]

The purpose of conducting research and analysis with structural modeling is to explore the relationship among different profiles. The suitability should reach GFI>0.9; NFI>0.9; AGFI>0.9; CFI>0.9; RMR<0.05; and RMSEA<0.05; etc. (Bagozzi & Yi, 1988). In this research GFI and AGFI are between 0.90 and 0.93, while RMR is all smaller than 0.05. This indicates that the measuring scale has a considerable agreement and meets the suitability of the overall modeling (Lee, et al 2011).

<table>
<thead>
<tr>
<th>Determined Indicator</th>
<th>( \chi^2 )</th>
<th>df</th>
<th>GFI</th>
<th>NFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>RMR</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suitability Value</td>
<td>50.63</td>
<td>41</td>
<td>0.926</td>
<td>0.934</td>
<td>0.906</td>
<td>0.934</td>
<td>0.042</td>
<td>0.031</td>
</tr>
</tbody>
</table>

Analysis on Suitability of Internal Evaluation Models in Overall Model

The credibility of individual items of various potential variables (major profile) and obvious variables (sub-profiles) is \( R^2 \) Squared Multiple Correlation (SMC). The main purpose is to evaluate relevant degrees of strength of individual items and potential variables. If their \( R^2 \) are closer, it indicates that the relevant degree of strength is stronger. In the following Table 4 \( R^2 \) of various variables of this research is listed.

<table>
<thead>
<tr>
<th>Main Profile</th>
<th>Sub-profile</th>
<th>( R^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>Consensus Culture</td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td>Developing Culture</td>
<td>0.76</td>
</tr>
<tr>
<td></td>
<td>Reasonable Culture</td>
<td>0.71</td>
</tr>
<tr>
<td></td>
<td>Echelon Culture</td>
<td>0.72</td>
</tr>
<tr>
<td>Organizational Restructuring</td>
<td>Task Restructuring</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>Constitutive Restructuring</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>Personnel Restructuring</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td>Technological Restructuring</td>
<td>0.89</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>Organizational Efficacy</td>
<td>0.91</td>
</tr>
</tbody>
</table>
From Table 4 we can tell that $R^2$ of task restructuring, constitutive restructuring, personnel restructuring, and technological restructuring of restructuring sub-profiles such as consensus culture, developing culture, reasonable culture, and echelon culture in sub-profiles of organizational culture are all above 0.7. This indicates that the two measuring scales of organizational culture and organizational restructuring are suitable measuring tools.

Analysis on Suitability of Internal Structural Models of Overall Model

After models have passed the test of suitability, this research has compiled Tables 5 and 6, which list estimates on standardized coefficient among various potential variables and estimates of relevant coefficient of potential variables.

### Table 5: Coefficient Estimates on Potential Variables (Standardized)

<table>
<thead>
<tr>
<th>Concerning Profile</th>
<th>Coefficient (Estimate)</th>
<th>Standard Error of Sample</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture $\rightarrow$ Organization Performance</td>
<td>0.46</td>
<td>0.045</td>
<td>10.22**</td>
</tr>
<tr>
<td>Organizational Restructuring $\rightarrow$ Organization Performance</td>
<td>0.57</td>
<td>0.042</td>
<td>13.57**</td>
</tr>
<tr>
<td>Organizational Culture $\rightarrow$ Organization Performance</td>
<td>0.33</td>
<td>0.034</td>
<td>9.71**</td>
</tr>
</tbody>
</table>

*Note: * indicating CR has become obvious ($\alpha = 0.01$)

### Table 6 Coefficient Estimates on Observed Variables (Standardized)

<table>
<thead>
<tr>
<th>Main Profile</th>
<th>Sub-profile</th>
<th>Coefficient (Estimate)</th>
<th>Standard Error of Sample</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>Consensus Culture</td>
<td>0.84</td>
<td>0.081</td>
<td>10.37**</td>
</tr>
<tr>
<td></td>
<td>Developing Culture</td>
<td>0.81</td>
<td>0.064</td>
<td>12.65**</td>
</tr>
<tr>
<td></td>
<td>Reasonable Culture</td>
<td>0.79</td>
<td>0.086</td>
<td>9.19**</td>
</tr>
<tr>
<td></td>
<td>Echelon Culture</td>
<td>0.83</td>
<td>0.079</td>
<td>10.51**</td>
</tr>
<tr>
<td>Organizational Restructuring</td>
<td>Task Restructuring</td>
<td>0.79</td>
<td>0.075</td>
<td>10.53**</td>
</tr>
<tr>
<td></td>
<td>Constitutive Restructuring</td>
<td>0.88</td>
<td>0.066</td>
<td>13.33**</td>
</tr>
<tr>
<td></td>
<td>Personnel Restructuring</td>
<td>0.86</td>
<td>0.055</td>
<td>15.63**</td>
</tr>
<tr>
<td></td>
<td>Technological Restructuring</td>
<td>0.87</td>
<td>0.056</td>
<td>15.54**</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>Organizational Performance</td>
<td>0.76</td>
<td>0.061</td>
<td>12.46**</td>
</tr>
</tbody>
</table>

*Note: ** indicating CR has become obvious ($\alpha = 0.01$)
Based on the above-mentioned analysis, this research has reached the following conclusions:

a. Organizational culture in an organization has a favorable influence on organizational performance.

   Standardized estimated coefficient is 0.46, therefore hypothesis 1 (H1) is supported.

b. Organizational restructuring in an organization has a favorable influence on organizational performance.

   Standardized estimated coefficient is 0.57, and therefore hypothesis 2 (H2) is supported.

CONCLUSION AND SUGGESTIONS

Research Conclusion

Based on the above-mentioned date analysis and results, we can reach the following conclusions:

H1: Organizational culture in an organization will favorably influence its organizational performance. (Hypothesis 1 is supported.)

This conclusion is in agreement with Sun Jui-ying’s (2001) research conclusion that organizational culture has large and in-depth influence on organizational efficiency. The research by Liu Yung-fu (2004) has concluded that fine organizational culture can increase organizational efficacy, raise productivity. His conclusion is also in its own right in agreement with the above-mentioned conclusion.

H2: Organizational restructuring in an organization will favorably influence its organizational performance. (Hypothesis 2 is supported.)

This conclusion and the research by Huang Li-hui (2009) find that “If an organization has a strong culture, employees will be more invested in culture. This ensures that in the organization, when promoting a new policy, its organizational culture will not be easily changed. If an organization has a strong culture, employees are likely to have rather unenthusiastic participation in ordinary times. However, when they are faced with drastic changes, the culture of the organization is easier to change.” The said change will surely influence organizational performance. This contention is in agreement with the results of this research.

In addition, there is an existing relationship between organizational culture and organizational
restructuring. This contention and the contention of Kezar & Eckel (2002) is that an organization needs culture to encourage restructuring. The process of restructuring can be hampered because of violation of cultural norms or can be strengthened through culture. The results of the restructuring are actually the revised organizational culture. This is because culture is an important tool of communication to make the restructuring come true. It is also a measure to complete the restructuring. This contention is related with the models applied in this research.

**Significance of Management**
a. In terms of applied aspect (innovation in the application of research method):

Looking back on past relevant documents, the main profile of the topic of this research is latent variables (namely variables which cannot be observed) that are not applicable to traditional multiple regression analysis and confirmatory factor analysis (CFA) must be applied and structural equation modeling (SEM) must be used as the construction and evaluation tool for this research. This is why this research has a more innovative research method.

b. In terms of the aspect of actual practice (contribution in actual practice):

Scholars in the past tended to lean toward exploratory analysis. A good reference, this research has applied confirmatory factor analysis and will lead ensuing researchers in the research in the relevant field.

**Limits of Research**
a. Restricted by resources, this research has adopted convenience sampling which is in the category of nonprobability sampling. Convenience sampling stress convenience and the selection of its samples takes consideration of proximity and convenience in evaluation. This kind of sampling has larger deviation and less reliability. We suggest that ensuing researchers can consider using simplified random sampling or stratified random sampling.

b. This article has applied confirmatory factor analysis. In order to meet the unique features of simplified confirmation, the models applied consider only the influence of organizational culture and organizational restructuring in organizational performance. It is suggested that future researchers are suggested to add interfering variables such as conflicts or other models of “intermediary interferences” or “interfering intermediates” in order to achieve confirmatory purposes.

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