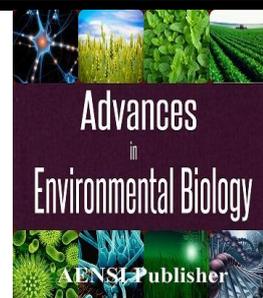




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Organizational Innovation: The Impact of Organizational Culture on PPP Adoption in Yemen

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ABSTRACT

Public-Private Partnerships (PPPs) have been popularly used worldwide. Several governments have regarded it as a panacea for infrastructure development. The aim of this study is to investigate the relationship between organizational culture and the readiness to implement PPPs in Yemen. Organizational culture is conceptualized to consist two dimensions; adhocracy and market orientation. Optimism, Innovative, Discomfort and Insecurity were used to conceptualized PPPS readiness. Questionnaires were developed and distributed to the 332 public and private organizations in Yemen. And the data were tested analysed using correlation and regression analysis. The results show that different types of organizational culture, have different influence on PPP adoption. Specifically, the results show that the adhocracy culture has an influence for an implementation the PPPs, while the market orientation has no significant influence on the implementation the PPPs. The results imply that in order to facilitate PPPs implementation in Yemeni, both public and private sectors should encourage an adhocracy culture in their organizations.

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INTRODUCTION

Given the complex problems faced by humanity, including climate change, poverty and insufficient public services, PPPs for development have come to be seen as the “collaboration paradigm of the 21st century” [1]. Indeed, this PPPs between public and private sector can provide benefits for governments as well as communities [2], several organizations in the public and private sectors find projects of partnership as a priceless mechanism to achieve their organizational policy, so, the PPPs are found to bring together two bodies as one organization, the purpose of a PPPs are to coordinate the bundled resources to take advantage of culture and process characteristics of an organization [3]. Attempts to adoption new concept in organizations often fail because organizations do not establish sufficient organizational readiness for change [4]. Over the past decades, the relationship between organizational culture and adoption new ideas are subject to intensive studies. Organizations need to always be ready for change because of the dynamic nature and unexpected of modern business environment [5]. The main purpose of this study is to examine the relationship between the organization culture and PPP adoption in Yemen, and the impact of organizational culture on readiness to adopt PPP. This article proceeds in the following manner. First, the review of the organizational culture and Public private partnerships (PPPs) is provided. Second, the relationship between organizational culture and readiness to adopt PPPs in the hypothesis development process is discussed and examined. In the third section, we discuss the methodologies used. The paper ends with the discussions of the results the relationship between the organizational culture and readiness to adopt PPPs, and followed by the limitations of the study, conclusions and recommendations for future research.

Organizational Culture:

Organizational culture can be defined as the set of values, beliefs, attitudes, expectations, understandings, norms shared by members of the organization [6]. Organizational culture is defined typically in terms of people's way of thinking, which has a direct impact on the ways in which they behave. Such as, with recognition that culture obvious itself in terms of the behavior and embraced values, [7] suggests that the essence of culture lies

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in the set of “underlying assumptions.” Similarly, [8, p.4] define organizational culture as a “set of shared assumptions and understanding about organization functioning.” Adhocracy focuses on the external organisational growth and is characterised by elasticity, resources, earning, creativity and acclimation. Market culture focuses on internal stabilization, internal competence and acquiescence to the principles and regulations of the organisation[9]. Market-oriented organisations prioritize and consider clients and interested parties to achieve long-term profitability[10]. These organisations understand that satisfying the clients is the most effective means of attaining an attitude for the organisation[11]. Several scholars in the literature have examined the definition of market orientation.

Public Private Partnership (PPPs):

[12] stated that the term “public” as used in public–private partnerships connotes the presence or involvement of government resources either at the federal, state or local level, whereas “private” involves the use of resources belonging to the private entity, typically a corporate organisation. He further emphasized that resources, such as funding, infrastructures and enabling environment, should be adequate in innovative ways. Similarly, “partnership” depicts an innovation-related relationship that can either be formal or informal.[13] defined partnership as a dynamic relationship between different players, is based on mutual consented objectives and pursued through the understanding of the participant regarding the most logical division of work on the respective comparative benefits of each partner. According to [14] the willingness of public and private organizations to work together includes the sharing of resources, risks, obligations and rewards with others to attain joint objectives.

Framework of the Study:

The conceptual framework that depicts the correlation between organizational culture and the readiness to adopt PPPs is presented. Figure 2 depicts the direct relationships between independent variables, which consist of adhocracy culture and market orientation that are constructed as organisational culture. Dependent variables are constructed as the PPPs readiness index that consists of optimism, innovativeness, discomfort and insecurity.

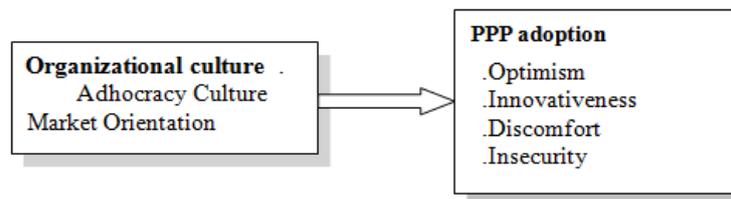


Fig. 1: Conceptual Framework.

Based on the conceptual framework, it can be hypothesized that:

- H₁: There is a significant positive relationship between adhocracy culture and PPP adoption
 H₂: There is a significant positive relationship between market orientation and PPP adoption

Methodology:

The context of this study is the implementation of public private partnerships PPPs in the Yemen. Data for the study were collected from questionnaires completed by the public and private organizations in Yemen. A 332 questionnaire were distributed to the respondents, overall, 201 usable questionnaires were returned and analysed, representing a response rate of 86 percent.

Data Analysis And Results:

This study was used statistical analysis a Pearson’s correlation and multiple regression analysis (MRA) for examining the relationship between a dependent variable and two or more independent variables due to its well developed underlying statistical theory [15].

Correlation Analysis:

Table 1 shows that the organizational culture is positive and strongly correlated with the PPP adoption. The Pearson correlation $r = 0.529$ is at $p < 0.01$. Moreover, Pearson correlation between PPP adoption r and adhocracy is 0.702 and significant at $p < 0.01$. These findings point out that the relationship between market orientation and PPP adoption is positive.

Regression Analyses:

Table 2 shows the regression analysis between culture dimension (adhocracy and market orientation) and PPP adoption. The Beta value for adhocracy is 0.713 at 0.00 significant, which means adhocracy made a significant contribution to the PPP adoption. While the Beta values for market orientation is -.057 at 0.00. That means market orientation not significant contribution to the PPP adoption. The value of the adjusted R square in the model summary table was 0.496 meaning that the study model (which includes two independent variables) explains 49 % of the variance in the PPP adoption. The F-ratio of 97.321 was significant at 0.000, indicating that the model is acceptable. The results show that adhocracy has direct and positive impacts on the PPPs adoption with $t = 13.857, p < 0.01$, while market orientation $t = -1.106, p > 0.01$. Based on standardized coefficient beta values, adhocracy is observed to have the highest beta value (standardized $\beta = 0.713$), while market orientation has a beta value (standardized $\beta = .057$). The findings reveal that there is evidence that supports the influence of adhocracy on the PPP adoption, while not supports the market orientation on the PPP adoption.

Table 1: Correlation Analysis.

	PPP adoption	Organizational culture	Adhocracy	Market orientation
PPP adoption	1.000	.529**	.702**	.082
Organizational culture	.529**	1.000	.802**	.742**
Adhocracy culture	.702**	.802**	1.000	.194**
Market orientation	.082	.742**	.194**	1.000

Table 2: Regression analysis.

Variables	Beta	t	Sig	Tolerance	VIF	Std. Error
Constant		22.181	.000			.102
Adhocracy	.713	13.857	.000	.962	1.039	.032
Market orientation	.057	-1.106	.270	.962	1.039	.026
R square		0.496				
Adjusted R square		0.491				
F value		97.321				

Conclusion:

This initial investigation examines the influence of organizational culture on PPP adoption. The previous studies have found that the higher degree of adhocracy and market orientation facilitates administrative adoption new concepts. The findings of this study found the significant relationship between organizational culture and PPP adoption. The results of regression analysis found that adhocracy culture has a significant influence on PPP adoption. This study is consistent with the study conducted by [16], where they found that the adhocracy culture has an effect on the innovativeness among housing developers in Malaysia. The finding also shows that market orientation is not a significant influence on PPP adoption. The theoretical contributions of the present study have confirmed, through a systematic empirical study, the importance of organizational culture; in particular the role of the adhocracy culture as the strongest predictor to adopt PPP. The findings of this study are particularly important as they can provide a better understanding for both the public and private sectors on which organizational culture should be encouraged in order to promote the ability of organizations for adopting PPPs.

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