Vox Organizationis – theoretical basis and methodological considerations in the development of an instrument for organizational culture

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Abstract

Management scientists have been trying to identify the impact of various external and internal aspects on organizational effectiveness and efficiency. Some of them focused on cultural, psychological and “internal sociological issues, others on environmental issues, market trends, and strategic positioning. Many of them focused on researching and conceptualizing the organizational culture as an important concept for organizational functioning.

However, it has proved difficult to define and measure the concept. This paper will therefore present the various definitions, conceptualizations and instruments for measuring organizational culture. Looking at the literature and research to date we provide a critical examination of the various approaches to measuring culture and synthesize an approach adapted to the region of South-Eastern Europe. The paper presents theoretical considerations as well as methodological approach for the development of an instrument for organizational culture.

The proposed instrument called ‘Vox Organizationis’ is much more than simple measurement of organizational culture. It provides a starting point for a holistic vision of the organization. The approach enables exploration of the alignment level between organizational culture, leader’s values, organizational structure as well as organizational strategy.

1. Introduction

The concept of organizational culture has created a lot of interest in the management literature. It has been widely researched and conceptualized. However it has proved difficult to define and conceptualize it. Most of the definitions are underlying values, beliefs, practices and principles that are shared or common among the members of one organization or part of an organization (Jaivisarn, 2010; Singh, 2007).

The strands of research regarding organizational culture have gone into different directions. One strand of research and thinking, examines the relationship between organizational culture and individual behavior and outcomes, such as person-culture fit (O’Reilly et.al., 1991) and the relation between organizational culture and different individual outcomes (Jaivisarn, 2010; Nazir, 2005; Singh, 2007; Padma and Nair, 2009; Su, et.al., 2009). Another strand leads to understanding the relationship between the national and organizational culture (Hofstede, 1998). Organizational culture has also been tied to leadership in a complex relation between national culture, organizational culture and effectiveness of the leadership practices (Dickson et.al., 2000; House et.al., 2010).

Finally tying the organizational culture to effectiveness (Denison and Mishra, 1989; Dickson, et.al., 2000) is tying organizational culture to the functioning of the organizations as whole. Along those lines is the thinking that ties organizational culture to organizational alignment (Labovitz, 2004; Semler, 1997; Williams, 2002) as a way to enhance the successfuleness of the organization (Powell, 1992; Tosti, 2007), as the organizational alignment means the degree to which the organizational design, strategy and culture are cooperating to achieve the same desired goals (Semler, 1997). Many alignment models (Labovitz, 2004) consider the organizational culture as a key factor in the alignment as it is a driver of behavior. Moreover the organizational
culture through the organizational practices can enhance or hinder the organizational processes, thus affecting the results (Tosti, 2007). Therefore it has been called that the organizational culture represented through values and practices is the core determinant of employee behavior (Williams, 2002). Despite this, the very little empirical work has been dedicated to studying the relationship between culture and effectiveness (Dickson et.al., 2000; House et.al., 2010) and its relation with strategy (Baird, et.al., 2007). As such there is a need for a deeper theoretical and research based approach to this issue. What is needed is an approach that will enable tying the organizational culture with the other elements of the organization such as organizational structure and policies, leader’s values and organizational strategy. By doing so it will become possible to appraise the organizational alignment and provide guidelines for the organizations.

Another shortcoming of the research so far is that although a number of authors point to the need of adapting the measurements of culture to the broader cultural context (Choi, et.al., 2010; Dastmalchian et.al., 2000; Hofstede et.al., 1990) research has been sparse in the South-Eastern Europe and especially in the Republic of Macedonia. Therefore a theoretical model applicable to this region as well as an instrument aimed at measuring organizational culture for this region is needed.

To be able to answer to those complex tasks we are working on developing and instrument called ‘Vox Organizationis’ – ‘The voice of organizations’. The overall approach will be aimed at appraising the organizational alignment and the first step in the process is to design an instrument aimed at measuring the organizational culture. This paper will specifically explain the rationale for developing the theoretical model and the instrument for organizational culture. The paper will start by presenting different approaches in defining and explaining the organizational culture. It will then move onto presenting the different approaches to measuring organizational culture and various instruments and will also present the need to develop culture specific instrument. The paper will finish by presenting the proposed theoretical model and methodological considerations.

2. **Levels of organizational culture**

The different definitions and conceptualizations of organizational culture pose a problem when thinking about culture and especially in measuring culture since the different concepts and manifestation of culture are at different levels. Therefore Schein (2004) argues that culture can be analyzed at several different levels according to how visible a certain cultural phenomenon is to the observer. According to this view the surface level of culture is represented by artifacts, which are the visible phenomena but harder to decipher. The second level is consisted of the espoused values and beliefs that provide the day-to-day operating principles and are at the beginning formed through leaders actions and thinking. The deepest level is the level of basic underlying assumptions which actually guide the behavior, are non-debatable and very resistant to change. This author emphasizes that the basic assumptions define what to pay attention to, what things mean, how to react emotionally in different events and what actions to take in various situations. The culture is the DNA of the organization so the two keys for successful change are: management of the large amount of anxiety due to the change and assessment of the potential for new learning.

Hofstede (1998) also proposed a model which emphasized different levels of organizational culture. According to the model there are three representations: organizational practices, organizational symbols, heroes and practices and organizational values. According to the onion
type model organizational practices serve as representations of organizational culture are the visible manifestation of the organization’s symbols, heroes and rituals, while the values are the deep invisible part of the culture. Hofestede’s notion of values is similar to Schein’s (2004) notion of basic assumptions. Practices are less basic and are amenable to planned change, while the values change according to their own logic. According to the author culture is ultimately linked to performance and survival in the long run, but the connection is hard to prove due to lack of longitudinal studies.

However another problem in researching organizational culture is the question of choosing what to measure, whether the practices or the organizational values are the ones to be measured. Therefore the next section of the paper few different theoretical approaches to organizational culture and different approaches to measuring the organizational culture.

3. Conceptualizing and measuring organizational culture

The question on how to obtain validated information is an old one in behavioral sciences. In order to provide a scientific evidence of organizational culture, we need to be able to measure it with a great deal of precision. According to Jex and Britt (2008), the most direct way to measure organizational culture is to create a type of a self-reported measure that would be administered among employees of the sample organization and afterwards create a numerical index that would be used to assess and describe the different types of organizational culture. The review of the academic literature contains many self-reported measures that are used to administer organizational culture. The theoretical approaches to measurement of organizational culture differ based on the author’s viewpoint of what is a better representation of organizational culture. The following section provides a review of the most cited self-reported measure of OC and groups them into four main categories based on how organizational culture is measured:

- organizational values
- organizational practices and behavior
- organizational practices and perceptions of the member
- content and process of culture

Some authors emphasize the organizational values as the main underlying aspect of the organizational culture and individual behavior and propose instruments aimed at measuring organizational values. One such instrument is the Organizational Culture Profile – OCP (O’Reilly, Chatman and Caldwell, 1991). The theoretical standpoint of the authors is that the cultural values are the ones that should be measured when assessing culture. The instrument has been primarily designed to assess the fit between individual’s culture and organizational culture, since that can impact on commitment, satisfaction and performance. By doing so the instrument allows for comparing the individual’s preference for organizational cultures and the actual organizational culture as perceived by the same individual. The original instrument defines 7 factors of organizational culture: team-work, respect for people, outcome orientation, innovation, stability, attention to detail and aggressiveness. The other version (Windsor and Ashkanasy, 1996) of the same shorter instrument contains 26 items and proposes 6 dimension (the original dimensions proposed except for aggressiveness). By measuring the person-organization fit this instrument has been used in a number of studies focused on individual’s effects of culture (Sarros, et.al., 2005; Su, et.al., 2009; Windsor and Ashkanasy, 1996).

The approach of measuring organizational culture through values has been used in other instruments as well. One such instrument has been made for companies in the Czech Republic
(Lukasova, 2004). Using factor analysis this work proposes four different factors of organizational culture: the first factor includes values directed to the order within the company; the second factor points to values concerning the support and care directed at the employees inside the company; the third one is characterized by its orientation to competitiveness, victory and results as well as innovativeness; the fourth one points to values of a “bureaucratic” character – to have organizational norms in written form, to respect the company hierarchy and procedures.

Another approach to measuring culture is to measure the organizational practices and behavior. Hofstede (1998) claims that culture can be measured through the statements of all members, but the data needs to be analyzed at group level not individually, because the culture is shared among members. The author also claims that the most appropriate measure of culture is the organizational practices. This is due to the fact that only the leadership will know the values and that those leadership and founder’s values become follower’s (employees’) practices. As such, distinction should be made between national culture and organizational culture. Six key dimension of organizational culture as a result of an empirical testing are proposed: process oriented vs. result oriented; employee oriented vs. job oriented; parochial vs. professional; open system vs. closed system; loose vs. tight control; normative vs. pragmatic culture (Hofstede et.al., 1990). Similarly to the OCP, this instrument aggregates employees’ individual scores to come up with the scores of the organization. It is important to note that the six proposed dimensions cannot be considered as intrinsically good or bad. In fact each of these positions is connected to an organizations strategic choice.

Another theoretical framework based on organizational values, measured through organizational practices and perceptions of the member, is called Competing Values Framework (Cameron and Quinn, 2006). The theoretical framework for this instrument has been empirically designed using the Organizational Culture Assessment Instrument (OCAI). The framework is based on the notion of organizational effectiveness and the model proposes two effectiveness dimensions. The first one is differentiating between flexibility and discretion versus stability and control. The second dimension is differentiating between internal orientation, integration versus external organization, differentiation. Those two dimensions form four quadrants each representing a distinct set of organizational effectiveness indicators. The indicators of effectiveness represent what people value about an organization’s performance. The four quadrants represent four types of culture:

a) Clan - identifies values that emphasize an internal, organic focus. The organization bears similarity to a family. There is high cohesiveness and involvement, common goals and values. Team work, employee involvement instead on rules and procedures.

b) Adhocracy - identifies values that emphasize an external, organic focus. Accentuates innovative ideas as key to success. The leaders emphasize entrepreneurship, creativity and new ideas. Adaptability, flexibility and creativity are promoted. There is no centralized and formalized power relationship. The company is future oriented.

c) Hierarchy - emphasizes internal, control values. The organization is structured, formalized. Effective leaders are good organizers and coordinators. The organization is oriented towards stability, predictability and effectiveness in the long-term. Formal rules and policies hold the organization together.

d) Market - lower right quadrant identifies values that emphasize an external, control focus. The organization functions as the market itself. It is oriented towards the external
environment instead on internal affairs. These organizations function based on economic market mechanisms instead on centralized decisions and specialized jobs. The main values are competitiveness and productivity.

There is no right or wrong culture type. The quadrants also match the key findings regarding organizational success, approaches to organizational quality, leadership roles and management skills. Therefore the theoretical model proposes the core values and the types of leaders that can be found in each organizational type.

The OCAI is designed with the theoretical framework in mind. It contains six key dimensions of organizational culture: dominant characteristics, organizational leadership, management of employees, organizational glue, strategic emphasis and criteria of success. The instrument contains appraisal of the current culture and the preferred culture. The culture profiles can be used to appraise: the type of culture; the discrepancy between current and preferred culture; culture strength; congruence - alignment between various aspects of organizational culture; comparison with other organizations and trends in the organizational culture over time. The findings can be used to guide organizational culture change.

Along those lines of measuring practices and behavior the Organizational Culture Inventory (Cooke and Szumal, 2000) constructs an organizational profile by measuring 12 sets of behavioral norms. The theoretical background developed by the authors emphasized that there is a disconnect between the espoused values and underlying assumption on one hand and the operating cultures in terms of norm and expectations, as there are many other variables that affect the day to day functioning of the organizations. The theory proposes that the structure (roles, influence, decision-making), system (training, appraisal, reinforcement, goal setting), technology (job design, complexity, inter-dependance) and skills/qualities (leadership, communication, bases of power) influence the organizational norms alongside the values and assumptions. The organizational culture on the other hand impacts on the individual outcomes (motivation, performance, satisfaction, stress), group outcomes (teamwork, inter-unit coordination and unit-level quality) and organizational outcomes (organizational-level quality, quality of customer service and external adaptability). The environmental demands and resources also impact on the outcomes both directly and through the organizational culture. The norms are defined by two underlying dimensions: concern for people versus concern for task and higher order satisfaction needs versus lower order security needs. The 12 norms are: achievement norm, self-actualization norm, humanistic-encouraging norm, affiliative norm, approval norm, conventional norm, dependent norm, avoidance norm, oppositional norm, power norm, competitive norm and perfectionistic norm. The 12 norms are categorized in three Culture Types: Constructive, Passive/Defensive and Aggressive/Defensive. The scores are plotted on a circumplex (according to percentiles on each norm) and using the two dimensions. The authors emphasize that the Constructive culture is most functional for Western organizations. These type of measurement can also be used to measure the preferred culture type and to initiate cultural change.

Another approach to conceptualizing the measurement of organizational culture can be found in the GLOBE (Global Leadership and Organizational Behavior Effectiveness) measuring instrument (Dickson, et.al., 2000; House et.al., 2010). The basic idea for measuring the organizational culture is the distinction between content and process of culture. One manifestation of the culture is through its content that is seen in the values, beliefs, schemas and implicit theories. The second manifestation of the culture can be seen in the cultural processes, manifested through the practices of the members. The instrument measures the values as a
representation of ideal (what should be) part of the culture and the practices as manifestations of
the current culture (what is). The main idea of the project is to measure both the societal and
organizational culture on nine dimensions based on previous empirical and theoretical views:
Uncertainty Avoidance; Power distance; Collectivism I; Collectivism II; Gender Egalitarianism
Assertiveness; Future Orientation; Performance Orientation; Humane Orientation.

3.1. The need for a new instrument

Despite the presence of a number of instruments one of the main questions to be asked in
whether the cultures that are identified in the Western context (such as Hofstede) are also
relevant for business in other types of the world? As it was pointed in the above section,
standardized questionnaires have been developed and implemented in many studies (eg. Hofstede’s
survey in assessing organizational culture practices, Cameron and Quinn’s Organizational Culture
Assessment Instrument or Hackman and Oldham’s Job Diagnostic Survey). The number and variety of
instruments is so large we can ask why we need to create a
totally new one. However research suggests that each organization is also faced by unique
problems and limitations, therefore making it essential to, at least, modify any standardized
instrument in order to fit to the organizational specifics (Cummings and Worley, 2008).

Therefore a number of researchers have decided to develop their own idiosyncratic way for
assessing organizational culture in the specific context of their project (Ashkanasy et al, 2010).
In example Tsui, Wang and Xin (2006) investigated the content of organizational culture
behavior (OCB) in the Peoples Republic of China (PRC). Their research resulted in identifying
11 OCB dimensions, five of which correspond to the dimensions that have been investigated in
the western literature. However the researchers note that this correspondence does not mean that
the dimensions that represent behavior are identical to the West. It merely means that the western
OCB dimensions may generalize across boundaries. In their research these authors found that six
extended dimensions of OCB in PRC: self learning, social welfare participation, protecting and
saving company resources, keeping the workplace clean, interpersonal harmony and compliance
with social norms. These dimensions have been mentioned by authors that work in the area,
however they have not been empirically investigated in the OCB literature. The authors note that
reason for the extended dimensions is due to the differences in the economic stage of
development and that the organizational support for training and development and maintenance
of a clean workplace are more limited in PRC. However some of these dimensions are unique to
the PRC, such as the compliance with social norms (since Chinese have a strong and complicated
tendency to be readily influenced by people on both psychological and behavioral grounds). It is
important to note that these researchers suggest that applying standard instruments across
cultures without any modifications applied, may lead to deficiency and contamination in
construct measurement. Therefore instruments that are sensitive to dimensions of cultural
differences need to be developed.

According to Cummings and Worley (2009), the success of organizational culture
interventions depends on the cultural context of the country in which the organization operates.
In fact these interventions need to demonstrate responsiveness to the cultural values and
organizational customers of the country. In example, as it was pointed above the majority of OC
instruments have been developed to fit the economic and cultural context of the enterprises that
are operating in the West. If these same instruments are implemented in Latin America they can
show disappointing results since they may focus on interpersonal relationships, while Latin
American people value masculinity, avoid conflict and are status conscious. Therefore the assessment of organizational culture in different countries requires a context–based approach related to culture.

The literature also notes efforts to develop international instruments for the assessment of organizational culture. One worth noting is the FOCUS questionnaire (1999) and was developed by an international research group from 12 countries. The goal was to internationally useful questionnaire for measuring organizational culture in European companies on the basis of Quinn’s (1988) competing values model. Although the formulation of the items in the different languages was intended to create a useful international instrument and may be called satisfactory, the research group noted that it is easier and more validated to do research in only one country.

4. New instrument for organizational culture and a new model for alignment

The current research proposes that both the values as deeper representations of the culture and the practices as more visible representation of the culture should be taken in consideration. More importantly the alignment between the two manifestations of culture are important (Dickson, et.al., 2000; House et.al., 2010) to determine how well does the organizational culture functions and what type of behaviors and norms and supported. Moreover Cooke and Szumal (2000) emphasize that there are many other variables that operate and affect the relationship between the deeper levels of the organizational culture represented by the values and the more overt manifestations through the practices, norms and expectations. As such the discrepancy between the two levels might pose problems for the organization if they are not aligned. Therefore the proposed model in this paper tries to appraise both the values of the leader and the practices as manifestations of the organizational culture with a special accent on their alignment.

Even though there might be opposition to measuring values on organizational level (Hofstede, 1998), the literature emphasizes the importance of the fit between individual and organizational values for the individual behavior (O’Reilly et.al., 1991). If this viewpoint is translated to organizational level it becomes important to appraise the fit between the values of the leader and the practices as manifestations of organizational behavior. Therefore the current model proposes a development of a series of instruments aimed at appraising the organizational alignment. Vox organizationis comprises a set of instruments to measure: organizational culture, the values of the leader, structure and policies and strategy.

As part of the broader model, the instrument for the organizational culture contains four dimensions: decision making and behavior; people versus task orientation; innovativeness and risk taking; and open versus closed system. The dimensions have been developed through literature review and synthesis of the dimensions which a number of authors have pointed to be quite important. This approach using different dimensions was used previously (Hofstede, et.al., 1990; O’Reilly, Chatman and Caldwell, 1991) and was deemed most appropriate for the current model as it enables comparison with the other instruments of the model. The dimensions are also developed to reflect the broader cultural environment and the needs of the organizations in Macedonia and the broader region. The dimensions are bipolar and measured by four point Likert type scale. Decision making and behavior has strictly policies and procedures governed decision making and organizational behavior at one end and a shared strong culture and commonly shared understanding between the members at the other end. The people versus task dimension emphasize care for the personal relationships and people on one end and caring about completing tasks on the other end. The innovativeness and risk taking is concerned about the
level of innovativeness and risk taking that the organization support. The open versus closed system dimension elaborates on the collaboration between the members of the organization as well as the cooperation that the organization has with the environment. The open vs. closed system and the decision making and behavior dimension are similar to the two dimensions emphasized in OCAI (Cameron and Quinn, 2006) and are also similar to the dimensions developed by Hofstede et. al. (1990). Decision making and behavior is also emphasized in the Organizational Culture Inventory (Cooke and Szumal, 2000). The innovativeness and risk taking is similar to the OCP (O’Reilly, Chatman and Caldwell, 1991) and the people versus task orientation is included in a number of other instruments (Cooke and Szumal, 2000; Hofstede, et.al., 1990; O’Reilly, Chatman and Caldwell, 1991). The instrument will be tested using statistical tested for reliability and validity as well as factor analysis to confirm the proposed factors.

5. Conclusion

This paper presents an outline of theoretical approaches and instruments for measuring the organizational culture. The accent was put on outlining and critiquing the current approaches and outlining the need to develop an instrument for measuring organizational culture that can be included as part of a broader model aimed at measuring organizational alignment. Therefore the instrument does not propose best organizational culture type or change based only on the organizational culture but is made to provide a useful comparison ground with other measures of organizational functioning to provide a point for change based on the organizational alignment. In fact, what we have been trying to listen is the “music performed by the organizational symphonic orchestra”. Thus, we have named this approach VOX ORGANIZATIONIS – The voice of the organizations. Well trained piano tuner, will have a “fork: with resonance of 440 Hz (tune A) and then upon that he /she can tune the whole 8 octaves on the piano. Similarly, good car mechanic can identify the cause of trouble shouting, purely by listening to the sound of the engine. Hereby, we are proposing compatible instrument to measure the alignment. It provides “Capability to listen to: the sound of the organizations”; “tune” the tones which are not tuned, and eventually create efficiency and harmony.

List of references


