

## **A COMPARATIVE STUDY OF ORGANIZATIONAL CULTURE EVALUATION THROUGH TWO INTERNATIONAL INSTRUMENTS: DENISON MODEL® AND HUMAN SYNERGISTICS OCI®**

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**Abstract:** The present study is aiming to analyze the organizational culture of the Romanian branch of a multinational company, by using two international well known models, in order to obtain a more complex representation of the organizational culture. Studies conducted by different researchers highlighted the differences of perception between peoples' values in their society in relation with the values of their colleagues of different nationalities. Finally, these values influence the importance that people grants to work, leisure, family and social status. The research methodology will focus on determining the organizational culture of the selected company by using two international instruments: the Denison model® and Human Synergistics Organizational Culture Inventory®. The Human Synergistics OCI® will be used in to determine both the current culture and the ideal culture of the managers. The Denison Model® will provide a comprehensive image of the organizational culture by comparing the results with the Denison Normative Database. The research will try to identify patterns, behaviors and values that form the basement for a performance oriented company.

**JEL classification: A13, D23, M14**

**Key words: Organizational Culture, Denison Model®, Human Synergistics OCI®, current culture, ideal culture, cultural traits and indices**

### **1. INTRODUCTION**

"Each individual is the bearer of patterns of thinking, feeling and events acquired during his lifetime. Many of them have been learned during the childhood when an individual is able to learn and assimilate." (Hofstede G., Software of the Mind, 1996, p. 20).

Skills, behaviors, rules and values are formed during childhood, through education at home and at school, and are extremely stable during the whole life. For that reason these values are very difficult to be changed.

The organizational culture is considered by experts the "invisible force" of each company, ensures the social energy and motivates the employees to perform at a higher level. Nevertheless, the same "invisible force" is able to undermine the success of the

organization by demotivation, fight for power, avoiding responsibilities, ie perform the work to the lowest acceptable level.

The most effective organizational culture is based on encouraging career development, people's appreciation and recognition and rewarding of merits. Cultural values associated are: equity, fairness, job security, involvement and adaptability.

### **1. CHARACTERISTICS OF THE ORGANIZATIONAL CULTURE AT COMPANY LEVEL IN ROMANIA**

The Romanian society easily tolerates the unequal distribution of power, is more collectivist (strong group orientation, but the group is limited to the nuclear family or the extended family), encourages individualism and aggression in social relationships, with masculine and feminine values interpenetrated, high level of tolerance of uncertainty and a great resistance to change. In terms of orientation, the Romanian society is poorly focused on performance and oriented on present rather than the future, on short or medium term rather than long term. Romania is characterized by low to medium degree of Indulgence, which shows that Romanians, often because they need to fulfill security needs, work longer and spend less time on leisure. Regarding the last index introduced by Hofstede, the Monumentalism, Romania is characterized by average scores, showing flexibility and a certain inclination towards modesty. (Neculăesei A. and others, 2008)

The GLOBE model reveals a desire for change in Romanian society. Thus, researches has shown that societal practices (the society as it is) of organizational culture are very close to the Romanian Eastern European cluster, while the societal values (the society as it should be) migrates towards the Latin cluster and even British cluster. Explanation of similarities with Eastern European cluster lies near the geographic and a long common history shared by countries in the region, while the differences can be explained by the uniqueness of the Latin origin of language ("a Latin island in a Slavic sea") and religion, mostly Orthodox, in a geographic area in which Catholicism and Protestantism are better represented. (Bibu, Petrisor, and others, 2007).

### **2. PURPOSES OF RESEARCH, METHODOLOGY AND RESULTS EXPECTED**

Our research is proposing a transversal quantitative approach, analyzing the organizational culture from the perspective of modern management theories, but also by taking into account some essential elements of organizational psychology.

To this end, we determined the organizational culture of the Romanian branch of a French company using two instruments: the Denison model<sup>®</sup> for a probabilistic sample and the Human Synergistics Organizational Culture Inventory<sup>®</sup> (OCI<sup>®</sup>) for a sample composed by the managers extracted from the probabilistic sample. The Human Synergistics OCI<sup>®</sup> will be used in to determine both the current culture and the ideal culture of the managers. The Denison Model<sup>®</sup> will provide a comprehensive image of the organizational culture by comparing the results with the Denison Normative Database which includes 1.079 companies all over the world.

Research results are representative of the entire company as by applying the random selection process while every employee, regardless of gender, education, position or department, had an equal chance of being selected.

To ensure representativeness of the sample we calculated its ideal size in order to ensure a confidence level of 95% and a sampling error of  $\pm 5\%$ . In our case, the ideal sample is formed by 95 people, from a total of 150 employees. Only 78 questionnaires were received.

The Human Synergistics OCI<sup>®</sup> tool was used to determine the organizational culture of the managers. Thus, the sample of managers consists of 11 managers (10 for measuring the ideal culture) from 14 managers who received the questionnaires. Human Synergistics model will provide a clear picture of the managers' organizational culture that we expect to be transmitted to employees. During the qualitative research we will try to identify which values were transmitted easily and which met resistance.

The ultimate goal of research is to define a specificity of the culture organization of a multinational company operating in the Romanian market so that, based on this model, to imagine an organizational culture assessment model adapted to the specific business environment in Romania .

### **3. ANALYSES OF THE ORGANIZATIONAL CULTURE DIMENSIONS**

For analyzing the organizational culture dimensions we take into account the Denison Normative Database, a catalog that includes 1079 worldwide companies. The normative database provides clients with information about how their organization scored on the Dimensions of the Organizational Culture relative to other organizations. An external benchmark is useful because it provides additional information about what a score means beyond what is conveyed by the average score (e.g., the mean). In this sense, the graphical representation of Denison model indexes will compare in percentiles the company organizational culture with the organizational culture of other companies included in the benchmark.

#### **3.1 THE INVOLVEMENT DIMENSION**

Employees of Or Cosmetiques Romania consider that they are very dedicated to their work, the business planning is an ongoing process in which everyone is involved according to its position within the company, but the information is not easily communicated within the organization, thus affecting the decision making process.

Concerning the Team Orientation, although people believe that the organization recognizes the value of the teamwork in achieving better performances and enhancement of cooperation, in reality people are keen to compete between them instead of using this energy in fighting external competition. At this index, Or Cosmetiques Romania registers the worst score, close to the 20 percentile. Additional efforts should be deployed to make the team work to become the foundation on which are set all other skills.

The company recognizes the strategic role of human resources as a source of competitive advantage and invests continuously in improving the skills of their employees. However, people think that problems often arise because they don't have the necessary skills to do the job.

#### **3.2 THE CONSISTENCY DIMENSION**

Or Cosmetiques Romania has strong fundamental values that are shared by the employees. These values orient people in their current activity. The value scored to that index is better than 70% of the companies included into the benchmark.

The value of the index Coordination and Integration confirms the difficulties of managing a interdepartmental team. While employees from different departments share the same vision about the mission and the goals of the organization, where interdepartmental cooperation is requested the results are rather modest ("Working with someone from another part of this organization is like working with someone from a different organization").

Concerning the ability of employees to accept differing points of view when difficult problems are tackling, although they believe that the organization they work has a "strong culture", sometimes they fail in reaching a consensus. Although the score is very good, being close to 70 percentile, we believe that additional steps can be taken to improve the culture of dialogue and accept divergent opinions as a source of innovative ideas.

### **3.3 THE ADAPTABILITY DIMENSION**

Or Cosmetiques Romania is a flexible and adapted organization. However, it is important to note that an important subject to deal with is the resistance to change, feature which is rather frequent in countries with a high uncertainty tolerance as Romania is (or France).

Although Or Cosmetiques Romania recognizes the importance of understanding the customer needs and encourages its employees to interact directly with customers, these needs are not always considered in the decision making process.

Organizations with a strong culture are consistent in actions, avoiding duplication and reckless use of resources. Such an organization attaches great importance to the organizational learning. In this kind of companies, failure is seen as a lesson to be learned and an opportunity for employees to develop new skills. Employees are encouraged to take risks in a rational manner and learn from their mistakes. Or Cosmetiques Romania registered better scores than 80% of the companies included in the benchmark.

### **3.4 THE MISSION DIMENSION**

Strategic direction and intentions index values show that although long-term goals and direction of development are set, employees have some difficulty in linking short-term objectives (their everyday work) to the big picture about the mission and the goals of the company.

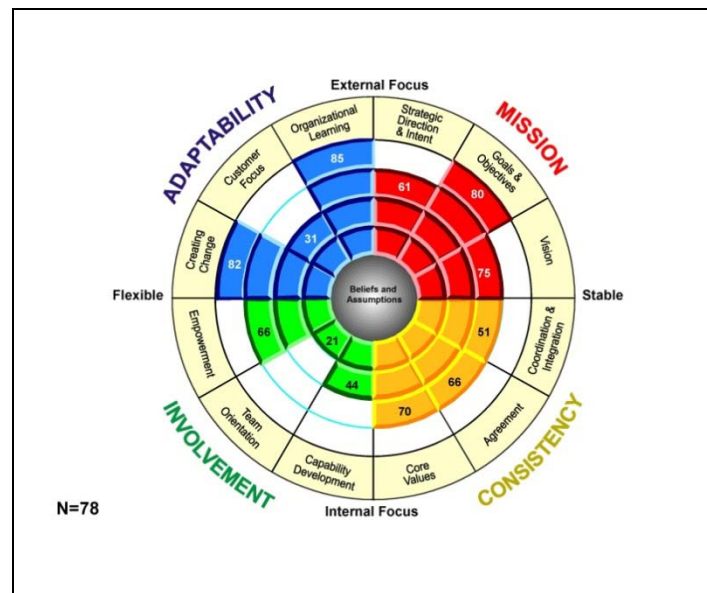
Index goals and objectives show that managers are setting up short-term goals whose achievement are continuously monitored. These objectives are known and accepted by each employee.

The value obtained for Vision index is less than the average scores recorded to the mission dimension. We tend to think that tendency seems to be a general problem for companies in Romania that has its roots in short-term orientation of the Romanian society. This problem can be successfully corrected through inspirational leadership. The employees of Or Cosmetiques Romania think that their leaders have a long term vision, which is generally shared within the organization, is consistent with the short-term objectives and motivates and challenges the group to perform.

### **3.5 THE EVALUATION OF THE ORGANIZATIONAL CULTURE AT COMPANY LEVEL**

This evaluation aims to compare the results obtained by Or Cosmetiques Romania to the Denison Normative Database. The results are plotted in percentiles.

As shown in the Figure 1, Or Cosmetiques Romania is the performing better than the largest majority of companies included into the database. The scores are generally situated between 50 and 80 percentiles, with three indices whose value exceeds the percentile 80 (organizational learning, creating change and Goals and objectives) and three index whose value is below the 50 percentile (team orientation, customer focus and Capability development).



Source: Denison Consulting Ltd

**Figure 1 Or Cosmetique Romania Organizational Culture according to the Denison Circumplex®**

Or Cosmetics Romania is a company with a balanced orientation, being flexible and stable, sensible to changes in external environment and with a high level of internal integration. The company enjoys a strong organizational culture, performance oriented, with a clearly defined mission. The goals are defined, understood and shared by all employees. Managers encourage innovation and organizational learning and the company continuously invests in developing new skills to employees. We can say that there is a good match between the organizational culture wished by the leaders and the organizational culture of the employees.

The diagonal orientation adaptability-consistency has to be highlighted. This orientation is measuring the Customer Value Chain. The organization is able to constantly adopt or develop new systems and processes in order to provide the best response to the market needs. The results obtained on the first diagonal weaker mission-involvement shows that there is a lack of internal communication.

Regarding weaknesses, the results show that the organization has to enhance the teamwork, in order to diminish the internal completion which causes among employees an excessive orientation towards personal success.

Concerning the score registered to the Capability development index, the result is at certain extent a paradox. Employee perception is that although there is a well-defined training policy and the organization continually invests in developing new skills, there are situations when they don't have the necessary skills to perform the requested task. It is necessary to clarify this paradox within focus groups.

Another modest score was registered for the index Customer Focus. Thus, although employees are encouraged to interact directly with customers, the results of these tests are not transformed into decisions or courses of action. This result is not necessarily a weakness. In general, visionary companies do not always take into account the needs of customers, but identify new needs through innovative products. A classic example of this

is the Walkman invented by Sony, a product which was evaluated as a future fiasco by all marketing studies. The reality is well known. However, this issue should be further examined through a qualitative analysis.

Other points can be classified as weaknesses. For example, although the short-term objectives are known and their achievement is monitored, the employees lack to identify their place into the "big picture" which links their current work to the vision and the mission of the company. The explanation for this phenomenon lies in the short-term orientation of the Romanian society and a possible effect of the poor communication within the organization. If the first feature cannot be changed, the following can be influenced by improving the internal communication vertically and horizontally.

### **3.6 THE IDEAL ORGANIZATIONAL CULTURE VERSUS THE CURRENT ORGANIZATIONAL CULTURE (OR COSMETIQUES MANAGERS SAMPLE)**

According to the Human Synergistics OCI<sup>®</sup> model, the ideal organizational culture of the company is clearly dominated by the Constructive clusters, especially Self-Actualizing and Achievement styles.

The secondary dominant orientation is a mix between Aggressive-Defensive clusters (Power and Competitive styles) and Passive-Defensive clusters (Avoidance and Dependent styles).

Or Cosmetiques managers considers that the ideal organization is the one in which employees have a winning mentality. Employees must overcome the performances of their colleagues in order to earn respect and advance within the hierarchy. According to this view, personal success is the most important and not the cooperation within the organization. Also, the ideal organization is traditional, hierarchically functional structured. The employees are always expected to observe the rules and company policies. We can say that the tendency toward aggression and hyper-competitiveness observed at the level of the whole Romanian society is reflected also at the organization level.

We appreciate that managers are aware of the negative effects of these cultural styles (low level of participation and lack of initiative, increased level of internal competition and development of a win-lose attitude within the company), but consider that this balance is necessary to ensure an effective control of their subordinates.

### **3.7 THE ORGANIZATIONAL CURRENT CULTURE OF OR COSMETIQUES' MANAGERS**

According to the data collected and analyzed with Human Synergistics OCI<sup>®</sup> tool, the managers' organizational culture is dominated by the Aggressive-Defensive clusters with a primary orientation towards Competitive and Power styles.

As a secondary dominance, the managers are Constructive clusters oriented, mainly towards Achievement and Self-actualizing styles.

The main dominance shows that in such an organization, personal success is valued and rewarded. The managers approach tasks in an aggressive manner, which would protect their status and their own security needs. There is a hierarchy of power specific to many Romanian companies which can be described by "as a manager, I supervise these activities, so I know more than you and therefore you have to do what I say". Employees are not willing to make decisions, check all decisions with superiors, are reluctant to act or to take risks. The reverse effect is the development of resistance among employees. In general, subordinates avoid this type of control and adapt themselves by imaginative solutions: retain information and reduce their contribution to the minimum necessary not to jeopardize their job. This effect characterize a largely well-known profile of a Romanian

type employee: "say what your boss says, but do it as you want to". Regarding the secondary dominance, the managers appreciate the work well done. They, respects and values the employees which are able to accomplish their objectives.

In such a culture, the goals are high, but realistic, the activity is planned in order to achieve them and the plans are pursued with enthusiasm. The managers value creativity and the quality of work and support the individual development of their subordinates. Employees are encouraged to obtain satisfaction from their work and to acquire new competencies and skills.

Comparing with the ideal culture of the managers, it is worth to note that managers would like to reduce the Aggressive-Defensive clusters in order to achieve a greater orientation towards Constructive clusters, by increasing the Humanistic/Encouraging and Affiliation styles to foster a participative attitude from employees and develop a greater sense of responsibility, devotion and loyalty to the organization

### **3.7 DIFFERENCES IN TERMS OF ORGANIZATIONAL CULTURE, SEGMENTED ON SEX, AGE, YEARS WITHIN THE ORGANIZATION, POSITION AND DEPARTMENT**

Respondents aged between 40 and 49 recorded better scores than the company's average organizational culture especially to the indexes Organizational Learning, Goals and Objectives and Customer Focus. We note that respondents aged between 30 and 39 years are less interested in team work.

The segmentation based on studies did not provide significant differences between categories.

The segmentation by function shows that the managers registered better scores than the average of the organization, especially for the whole Adaptability dimension and the indexes Strategic direction and Core values. The managers obtained lower scores on Team Orientation.

The segmentation by age within the organization indicates that responders that are new employees registered the best scores for the indexes Organizational learning, Goals and objectives, Creating change, Empowerment and Agreement. This result is normal and expected and shows their desire to catch up the company culture. Respondents that are older in company perform better in Customer Focus and Core Values indexes, but register lower scores for the Orientation Team indexes, Strategic direction and Empowerment. This category is an important one because older employees in the organization, together with leaders, transmit either formally or informally to the newer employees the organizational culture.

The segmentation by departments emphasizes the differences in organizational culture of the company's departments. Basically, we can say that the company Or Cosmetiques Romania has not a single organizational culture but as many cultures as functional divisions. The existence of organizational subculture itself is not a problem as long as it derives from a common set of behaviors, values and rules. In our opinion, the lowest scores registered for the team orientation index is due to the fact that the existing subcultures suffer from a lack of coherence between themselves. The company has to develop a core bunch of values accepted and shared by all employees through a cultural transformation process that can ensure the spreading of the best values of each division to the whole organization.

## **4. CONCLUSIONS**

Organizational culture is formed during a long period of time, being shaped by the society values and through education, and act at a subconscious level, by modeling the daily behavior of employees. The Organizational culture starts with the creation of the organization, and has a dynamic evolution, being shaped by the events that occur in the company's life. It is also subject to a process of transformation, more intense at the level of the organizational climate, which is the part most sensitive to changes, and slower at the level of values, attitudes or beliefs, which is the hardest part to change.

According to Gerry Clarke, president of Human Synergistics International, on the basis of comparative studies made in 40 countries from Europe, Asia, Latin America and the U.S., the Eastern European countries presents a dominant orientation towards the Aggressive-defensive styles, an orientation that is clearly stronger than in North America (Aldea, 2004). The easiest way to lead people is "do exactly as I tell you to do". Such an aggressive management approach determines the employees to develop a passive-defensive culture, such as resistance to superior's dictatorship, lack of communication and demotivation and execution of work at the lowest level acceptable.

Performing companies realized, perhaps long before others, that a dedicated employee is a force that "can move the mountains." They also realized that a strong organizational culture can increase the motivation of employees through the fulfilling of their personal goals within the accomplishment of the organization's objectives.

A specificity of the organizational culture in Romania is the high level of power distance and the increased tolerance to uncertainty situations. In our opinion, the high power distance engenders communication barriers between managers and employees, and the increased level of tolerance to uncertainty diminishes the desire to assume responsibilities and increases the resistance to change. We believe that for the companies that are operating within the business environment in Romania, it is essential to reduce the influence of these factors in shaping the organizational culture in order to promote a culture of dialogue between management and employees, to increase the accountability of the employees and foster the development of the „thinking outside the box" behaviors.

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#### **DISCLAIMER**

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