ORGANISATIONAL CULTURE AND STRATEGIC LEADERSHIP FOR SUCCESS: A CASE STUDY

by

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Hiermee verklar ek, Petrus Johannes van der Westhuyzen, dat die skripsie 'n produk is van my eie arbeid. Geteken te Kempton Park op hierdie dag van 29 Oktober 1999.

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ORGANISATIONAL CULTURE AND STRATEGIC LEADERSHIP FOR SUCCESS: A CASE STUDY

Introduction

Many aspects of the success, or lack of success, of a business can be accurately measured. Revenues, profit and loss, return on assets, share price, price equity ratios, market share, customer satisfaction and many more aspects can be measured and often managed. Apart from the measurable something else is needed: a successful organisational culture. The culture of an organisation is often easier to experience than to describe.

Purpose

The objectives of this study are find a workable definition for culture, tools to measure the culture of groups and leadership skills needed to manage or change the culture of organisations.

Method

Various definitions of organisational culture and culture measuring tools are studied. The most promising definition of culture and measuring tools are put to the test in a case study to form an opinion of the usefulness of such tools for management.

Findings

Results of this study indicate that the concept culture, as described in the double s cube model, is a very useful tool for managers. It provides a quick and easy entry point to the culture management of an organization. Firstly, the tools that are available to measure culture provide results that could be used to position a
company in the double s cube model. Secondly, the results of the culture measurement could be used to formulate and decide on the best course of action when it is necessary to change culture.

Culture management is done by manipulating the sociability and solidarity levels in an organisation and by ensuring positive contribution of these elements to business successes. The clear leadership guidelines to achieve this manipulation could be very useful for managers.

By using the concept of culture, managers could establish competitive advantages for their businesses. Culture management could be the secret key to open a situation whereby it is possible to improve business performance and at the same time create an environment where people are happy to achieve these goals.
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CHAPTER 1

INTRODUCTION

1.1 Background

The political and economical changes of the middle and late nineties in South Africa created new challenges to managers. The changing environment presents managers with problems not previously experienced.

Not only is business meeting with more competition due to globalisation but it is also expected to be more sensitive to environmental matters and more responsible towards society (Bridges, 1996: 15). In South Africa new labour legislation necessitates workplace forums, affirmative action and union recognition in a changed way and businesses are faced with many new requirements never heard of before.

Modern technology has made it possible for even small businesses to compete around the globe. The modern trend is to lower the barriers of trade across borders and protection against foreign competition is diminishing.

Innovative products and services and dynamic management can overcome these obstacles but successes are often short lived. Analysis of the most successful businesses often reveals that the highly successful approach of yesterday is no guarantee of success today.

Many aspects of the success, or lack of success, of a business can be accurately measured. Revenues, profit and loss, return on assets, share
price, price equity ratios, market share, customer satisfaction and many more aspects can be measured and often managed.

Apart from the measurable something else is needed: a successful organisational culture. Therein lies the ultimate paradox of business. A paradox because rarely in our professional lives is something so critically linked to success perceived to be so indefinable and soft. The culture of an organisation is often easier to experience than to describe (Weeks & Lessing, 1988: 12).

A company's performance and the quality of life of its employees is strongly impacted by the way "things are getting done around here" and in the way in which members of the organisation relate to each other. That is what culture is all about.

1.2 Problem definition.

Often it is easier to see the outcome of the culture of an organisation than to understand the culture itself. It is widely agreed that culture comprises an organisation's shared values, symbols, behaviours and assumptions (Weeks and Lessing, 1988: 1-12).

Unfortunately this definition of culture is not very useful for people who want to build and improve an organisation. Some purposeful and methodical analytical tools are needed to understand and get closer to the goal of changing and improving the organisation. It is also necessary to understand the forces of behaviour and interaction.
Organisational Culture and Strategic Leadership

Virtually every force in business today is pushing companies to disintegration. Not financial per se, but organisational erosion that often leads to financial failure over time.

- Globalisation is making organisations more far flung and desegregated with divisions, departments units and even teams working independently of each other to keep up with the local market's demands. It is not unusual today for globalised organisations to employ people who don't speak the same language, approach work in the same way, face the same opposition, or even view success the same way (Cravens, 1994: 572).

- The advent of advanced information technology is allowing a growing number of organisations to go virtual with people working off site, communicating only when necessary and then in the most efficient way (Behrsin et al, 1996: 42). Human contact is decreasing.

- Intense competition for profitability has forced competition to downsize, delayer, outsource or otherwise create companies where people don't communicate very often and worse, don't trust each other (Gates, 1996: 14).

- Finally the pressure on growth has created large organisations, often put together by acquisition, that make and sell any kind of product. That has removed the cohesiveness when companies make and sell one kind of product. In massive corporations, an employee will know few of his colleagues. Everyone is part of a gigantic machine and it is impossible to feel motivated when everybody is just another cog in the machine (Semler, 1994: 106).

Companies used to be held together with rules and regulations. This, to some extent is still true and will always be true, but the rules and procedures are today not as intense as years ago. Deregulation now calls for fast decision making at lower levels in the organisation than before. There are simply less
rules and regulations today because success demands creativity, flexibility and innovation (Semler, 1994:96).

So, given the forces of disintegration at work in today’s business world, what is left to keep companies coherent and cohesive? What is left to create the sense of community that galvanises companies to be more than just a collection of individuals working for their paychecks?

Revenues and profits can be measured and audited. Customer retention rates can be calculated and market share can be expressed accurately. But the impact of the company’s culture on performance can only be inferred. It is perhaps the single most important and powerful force of cohesion in the modern organisation.

The following questions can then be asked:

1. What is culture and more specifically, what is organisational culture?
2. What are the components of organisational culture?
3. What factors could influence organisational culture?
4. What culture is necessary for a business to be successful?
5. How can it be measured?
6. What strategic leadership is necessary to change the culture of an organisation to be successful in a changing environment?

1.3 Objectives

The objectives of this thesis are:

1.3.1 Objective 1
To find a workable definition for culture that could help managers to understand it and make decisions in a more informed and enlightened way.
1.3.2 **Objective 2**
To find tools that could help managers to measure the culture of groups.

1.3.3 **Objective 3**
To explore the leadership skills needed to change the culture of an organisation from one form to another and to understand the possible implications of such a change.

1.3.4 **Objective 4**
To apply culture measurement criteria to a South African company, as a case study, in order to assess the ease with which the measuring tools can be applied.

1.3.5 **Objective 5**
To apply leadership skills to manipulate the culture of an organisation as part of the case study.

1.3.6 **Objective 6**
To form an opinion of the usefulness of such tools for management.

1.4 **Demarcation of Chapters.**

The study consists of five chapters.

Chapter 2 covers objectives 1 and 2. Firstly, organisational culture is explored in terms of its elements to meet objective 1. Some definitions for culture are looked at and the usefulness of these definitions for managers will be evaluated. The most useful definition of the culture of an organisation describes culture in terms of sociability and solidarity. It is shown that the
culture of an organisation could have either a positive or negative influence on business success. The double s cube model, showing the levels of sociability and solidarity as well as the positive or negative tilt, provides a useful graphical description of the culture of an organisation. Secondly, to satisfy objective 2, measurement tools are given to accurately position the culture of an organisation in the double s cube model.

Chapter 3 is focused on objective 3, namely to find the leadership skills to change the culture of an organisation from one form to another. Strategic leadership is considered and some definitions and tools to influence or manage the culture of an organisation are given. It is shown that the elements of organisational culture, sociability and solidarity, as well as the positive or negative tilt can be manipulated by managers in order to influence the business performance.

In chapter 4, a case study is done in order to satisfy objectives 4 and 5. Firstly, the tools developed in chapter two and three, are put to the test by analysing the culture of a given company. The results are evaluated in terms of a) the ease with which it can be used and b) the consistency of the results of various participants. Secondly, the leadership skills developed in chapter 3, are used to manipulate the elements of culture of the organisation under investigation.

In chapter 5, covering objective 6, the major findings and conclusions of the study are given. The case study indicates that the definitions, culture model, measuring tools and leadership skills are indeed very useful to managers to understand, measure and manage culture. Initial findings indicate that some of the tools could even be useful in a wider context, like performance appraisal, career development or conflict management. The case study also reveals shortcomings of the measuring tools and some suggestions are made to improve these. Recommendations regarding possible future use,
refinements and study on organisational culture and strategic leadership for success is made.
CHAPTER 2

ORGANISATIONAL CULTURE

2.1 Introduction

The first objective of this study is find a workable definition for culture that could help managers to understand it and make decisions in a more informed and enlightened way. If culture is to be a meaningful concept for managers or management scholars, a careful useful definition is needed. The second objective is to find tools that could help managers to measure the culture of a group.

The concept "organisational culture" is often associated with myths, values, heroes, rites and rituals (Ott, 1989: 20). In anthropology where the concept "culture" is more fully developed, culture concerns all aspects of a group's behaviour. In organisational research, as in anthropology, there are many cultural paradigms and every branch of organisational research has made use of a cultural approach at some time or another.

2.2. The concept "culture": an anthropological perspective

Cultural anthropology provides the conceptual roots for a frame of reference on the concept "culture". Lincoln and Kallenberg (1990: 217) draws a direct correlation between organisations and society. They state that society is an organisation society where people are born in organisations, educated within them and spend most their lives working in organisations. A definite
correlation may therefore be drawn between the concept "society" and "organisation". From a strategic management perspective, understanding organisations as social constructions requires a reorientation to traditional view of the concept "organisation". Organisations are traditionally interpreted in terms of structures and tasks and not as social entities.

Anthropologists believe that knowledge, beliefs, customs and rules are learnt from others within society. Weeks and Lessing (1988: 1-12) stress that it is important to remember how children and adults enter into assimilation and participation in their society and culture. The main mechanism for this is wanting to conform or learn from example. The second mechanism is education, learning by being taught or trained.

Gibson and Ivancevich (1994: 224) define culture as the totality of learned patterns of beliefs and behaviour of a human group. In terms of this definition, culture is defined as patterns of beliefs and behaviour that are learnt and shared by the members of the particular group. It may therefore be assumed that members of a particular group have a common culture that will determine the behaviour of the members of the group. Within this context culture may be considered as being of implicit meaning, shared by the group, that motivates behaviour.

Management researchers have been able to make use of many of the cultural concepts developed in the field of anthropology, to gain a better understanding of the social interaction process that takes place within the organisation.
2.3. Concepts of "organisational culture"

Ott (1989: 141) observes that organisational theorists have tended to link culture to organisations in one of two ways:

- There are those who maintain that organisations can be understood as cultures or that culture is something that the organisation is. Seen from this perspective organisations do not have culture, they are culture. As such, organisations need to be understood and analysed in terms of their expressive symbolic aspects. According to Ott (1989: 165), this is why organisational culture is so difficult to change.

- Other researchers, particularly those searching for a means to change the concept, view culture as an organisational variable, or something that an organisation has.

Culture as an organisational variable is thus conceptualised either as an external independent variable used to explain cross-cultural differences in management attitudes or processes, or as a culture-producing phenomenon. Organisations therefore produce their own inter socio-cultural qualities. Within this context culture consists of values and beliefs that groups within the organisations come to share.

2.4. Describing the concept "organisational culture" in terms of sociability and solidarity.

The great French social philosopher Emile Durkheim (1858 – 1917) observed that as communities developed over time individuals took over different roles (Goffee & Jones, 1998:22). That is to say, different people of the same community started to do different things – some hunt, some care for the children etc. The classical economists, notably Adam Smith (1723 – 1790), David Ricardo (1772 – 1823), Robert Torrens (1780 – 1864) and John Stuart
Mill (1806 – 1873) addressed the issues of how the market is used to exchange goods produced by different parties (du Plessis et al, 1987:9).

The different responsibilities and concerns involved in these divergent roles mean that people came to acquire different perspectives on life (Gross & Rayner 1990: 33). High traffic volumes over the Easter weekend might be good news for the petrol station owner but it could be bad news for the traffic officer who could be faced with longer working hours.

But still, people are part of a community and something is holding it together. For some reason, human beings form groups (Gerber et al, 1989: 390). They flock together and they relate to one another. Decades of research and debate suggest that people relate to each other in two distinctive ways. Firstly in behaviours that could be grouped under the heading of sociability and secondly in behaviours that could be grouped under solidarity.

2.4.1. Defining sociability.

Sociability is much as it sounds: a measure of the friendliness among the members of a community. The word social is derived from the Latin word *socialis* which means friend. Sociability is companionship, liking company, and not stiff or formal (Concise Oxford Dictionary, 1975: 1214). Sociability often comes naturally to people. People do kind things for one another because they want to – no strings attached, no deals implied. Sociability is to be found around human beings. Examples are birthday parties, high school reunions, farewell parties, etc. In short sociability flourishes when people shares similar ideas, values, memories, interests, or personal histories.

For business the benefits of high sociability are many. First, most employees agree that working in such an environment is a pleasure leading to high morale and esprit de corps. Sociability is often a boon to creativity because it
fosters teamwork, the sharing of information and openness to new ideas. High sociability also creates an environment where people are more likely to go beyond the formal requirements of their jobs. They work harder than technically necessary to help their colleagues to look good and succeed (Gibson et al, 1994: 17)

But high sociability can have its drawbacks in business. The prevalence of friendships may allow poor performance to be tolerated. No one wants to rebuke or fire a friend. In addition, high sociability environments are often characterised by an exaggerated concern for consensus. Friends are often reluctant to disagree or criticise one another. That is to say that the best compromise is applied to the problem, not the best solution (Gibson et al, 1994: 646).

In final analysis, sociability is neither good nor bad. It is simply one of the many ways human beings relate.

2.4.2. Defining solidarity.

In contrast to sociability, solidarity is not so much in the heart as in the mind. Solidarity has got to do with community of interests and community of actions as well as holding together (Concise Oxford Dictionary, 1975: 1219). Solidaristic relationships are based on common tasks, mutual interest, and shared goals that benefit all the involved parties, whether they like each other or not.

Labour unions are typical examples of high solidarity communities. Other examples are police officers in pursuit of a criminal, surgeons around an operating table or a group of tobacco producers that might be threatened by new legislation to limit freedom to advertise. The members of these groups
might dislike each other on a personal basis but they work together towards a common goal. (Gibson et al, 1994:310).

From a business perspective solidarity could be a very positive dynamic, especially for customers and shareholders. Focus on the common job or goal is what it is all about and that is what motivates employees (Bateman & Zeithaml, 1993: 446).

This is not to say that solidarity is only good for business with its customers and shareholders. Some people - indeed many people - enjoy working in an environment of high clarity. People like and need to know the company’s goals, the agreed upon method of reaching these goals and what professional behaviours will be awarded (Gibson et al, 1994:311).

Like sociability, the relations that characterize solidarity have their dark side. Too much focus on the group’s goals and requirements can be hurtful to those individuals who get in the way (Gibson et al, 1994:318).

Various questions come to mind. Are the two concepts of sociability and solidarity mutually exclusive? Does a group’s culture have to be caricatured by either sociability or solidarity?

Research has shown that group’s cultures are routinely described by both parameters and that the levels of sociability and solidarity fall along a continuum (Goffee & Jones, 1998: 21).
According to the above classification, a highly task driven (solidaristic) group with high sociability can be described as communal. A group, which shows low solidarity and low sociability, is described as fragmented. A group which shows high solidarity but low sociability, is described as mercenary while a group with low solidarity but high sociability is described as networked.

2.4.3. The double s cube.

From the previous discussions on solidarity and sociability it was shown that both these ways in which people relate to each other could be either positive or negative. The graphical description of a group's culture taking all these dimensions into account is called the double s cube model.
With the above model in mind several observations can be made:

- Firstly, a company can be caricaturised by one of the four cultures, but mostly companies contain several cultures at once, especially the larger ones.

A good example is the international consulting firm Booz Allen. Generally speaking this company is fragmented (Semler, 1993:45). It has more than ninety fragmented offices all over the world. Due to logistics most employees don't even know each other let alone socialize. The reality of the business does not lend itself to one set of company goals, strategy or competitive approaches to business. Ultimately, as in many professional service firms, the most senior level employees operate like independent contractors who primarily work for themselves and their clients. But Booz Allen possesses other cultures as well. Its London office appears to be networked. Different strategies and goals exist in dealing with the many diverse clients. Employees treat each other with respect and affability and occasionally get together for dinner or parties. The most telling evidence of
a networked culture is that people are reluctant to leave Booz London. It is an enjoyable place to work.

- Secondly there appears to be a life cycle in the four cultures.

Many companies start out as communal. This is not surprising given that the owner or founder is around to create a sense of high energy, clear vision and deep commitment while maintaining the family feeling (Gates, 1995:4). As companies grow they often move from communal to the networked quadrant. The reason: it is very hard to maintain the balance between solidarity and sociability in groups of more than 50 or 100. Due to a variety of reasons the culture will change again when the company grows even further. If the company becomes to big or when competition becomes to strong, performance could suffer and with it morale. Culture could then easily change to the negatively fragmented quadrant. Clearly the sequence and time span of these changes depends heavily on specific and unique events and environments and it is impossible to predict some set path but it should be accepted that no culture last forever. Leaders change, competitors change, products change and market demands and customers might change. In other words the environment changes and the cultural response with it (Hickman & Silva, 1985:26).

- Thirdly, not a single one of the four cultures - communal, networked, mercenary or fragmented – is good or bad by definition. The cultures are only good or bad when the fit with the competitive environment is evaluated.

At first glance the communal quadrant seems to describe ideal culture. Who would not want to manage a company that is highly task oriented where everybody works well together? The reality is that a communal culture is hard to maintain. In practice it is difficult to put both the goals of the company and those of the employees first. In organisations with
hundreds or thousands of employees it is almost impossible. Some organisations do manage both but it is a high tension balancing act that requires careful and exhaustive management attention. Networked cultures can be very effective when an organisation operates in a competitive situation that demands a lot of flexibility and creativity. Fragmented cultures work very well when there is little interdependence in work activities. Mercenary cultures can be very useful when the company is under competitive siege or where productivity needs to be improved. A mercenary culture is also very effective in industries where change is fast and rampant. In these cases, the time lost in debating, building consensus and sustaining relationships could be catastrophic.

- Fourthly, every culture can be functional and dysfunctional. Both sociability and solidarity have the potential to generate behaviours that are not beneficial to an organisation.

2.5. Diagnostic process to identify the organisational culture

At first it is often difficult to judge when a company has crossed the line from functional to non-functional. Eventually the bottom line will tell as no non-functional culture produces excellent results for very long. Unfortunately, before achieving success by making the character or culture of a corporation a competitive advantage, accurate positioning of the organisation, division, or team within the double s cube model is necessary. Once the culture of an organisation is positioned within the model, an informed decision about whether repositioning is needed can be made.

Goffee & Jones (1998: 21) produced checklists to be used in this assessment.
The first is an observational checklist. It is a quick and easy tool to sort the four main culture types by how physical space is set up, how people communicate with one another, how time is used and how people express their personal identities.

The second is a straightforward questionnaire that consists of two dozen statements about the organisation. The participant has to indicate how strongly he or she agrees with the statement. The answers are scored and the results are plotted on a graph. The result is a graphical indication of the culture of the organisation.

The third tool takes the result of the second – which is the identification of the culture type – and tests to determine whether the culture is negative or positive.

The fourth tool presents a set of ten scenarios for each culture. The aim is to identify, for every scenario, how people of the organisation would react. The results of this exercise will confirm the accuracy of the culture determination and the balance between positive and negative behaviours.

Human relations are complex. Sociability and solidarity can be difficult to pinpoint. By using four tools instead of one the chances of obtaining accurate results are improved. Depending on the size and complexity of the organisation it may be necessary to repeat the tests in order to evaluate a team, a division or even an entire organisation.

2.5.1 Tool 1: The observational checklist.

This tool is based on observation and consists of four sets of checklists or questions. The checklists or questions concern physical space, communication, time and identity.
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Physical space

By observing how physical space is used, allocated and decorated, a lot can be told about the company. Culture can be read in the way people carve out territories for themselves. For example, space can be protected by closed doors, ferocious secretaries and security personnel or space can be shared in open plan arrangements. Culture can also be read in the way people decorate their surroundings. Different stories are told by bare walls, corporate logos, family photos, professional achievements, work instructions and sales graphs. Even the functional allocation of space can tell something about the culture of the company. Is all the available space used for work related activity or is space allocated for coffee rooms, gardens or social activity? Who made these allocations and who designed the layout?

Communication

The way in which people communicate also provides rich clues to the culture of the organisation. How formal is communication. Is it by memo, by fax, by phone or face to face? How difficult is it to get hold of people in the organisation? In some organisations communication is a rich buzz while in others deathly silence prevails. Communication in organisations with communal cultures will be dominated by informal, face to face methods. In organisations with mercenary cultures communication will be swift and work focused. In fragmented organisations communication is typically difficult and formal. Meetings are difficult to arrange and hard to manage. In networked organisations there is a lot of talk between the right people, in the right way and style and presentation could be more important than content.
Time

The third important area to observe is how people manage their time. In some companies everybody checks in, while in others nobody does. The time people stay at work also tells something about culture. Are long hours the norm? How flexible is the approach towards time? In communal organisations people live at work and conventional time is ignored. The norm in mercenary organisations is long hours but it is acceptable to leave when the job is done. In fragmented organisations people only go to work when they need to and absence is the norm. People use time to socialise in networked organisations and they are not penalised for doing so.

Identity

Lastly, by observing how identity is expressed, a lot can be told about the culture of the company. Do people identify with their teams, their functions, their division, the whole organisation, their trade union, their profession or their customers? How lasting is this identification? In communal organisations people identify with the values and mission of their company. In fragmented companies people identify with individualism and freedom. Mercenary people identify with winning and networked people identify with each other.

For every set of the above four checklists or questions, the typical communal, networked, fragmented and mercenary culture is described as a set of answers. One set of answers must be selected that best describes the organisation. While it is possible for an organisation to exhibit a different culture form for each of the four checklists, one culture type should dominate and an indication of the culture of the organisation should be found by using this tool.
The four complete observational checklists for physical space, communication, time and identity as well as the typical descriptions for communal, fragmented, networked and mercenary cultures are given for each checklist in Appendix A (p. 67).

2.5.2 Tool 2: The corporate character questionnaire.

The second tool is based on a questionnaire and is particularly useful to confirm the culture type found by using tool 1. This questionnaire consists of a set of statements about the solidarity and sociability of the organisation. Participants indicate how strongly they agree or disagree with the statements about their organisation. The responses are scored from 1 to 5 for strong disagreement to strong agreement respectively.

Statements are carefully phrased and arranged in a specific sequence. By using a scoring key, total scores for the sociability and solidarity are arrived at. These scores are then plotted on a graph similar to Fig 2.1 and the culture type is then simply read from the graph.

With this tool, used in conjunction with tool 1, the culture type of an organisation can be determined with good accuracy. Unfortunately, it still gives no indication about the possible positive or negative influence of the culture on the performance of the organisation.

The questionnaire as well as the scoring key and a graph for the determining of the culture type is given in Appendix B (p. 71).
2.5.3 Tool 3: Is the culture positive or negative?

The next question is whether the culture of an organisation displays mainly positive or negative features. Once again a questionnaire is used to arrive at an answer.

For every culture type, e.g. communal, networked, fragmented or mercenary, a set of carefully worded statements is prepared and arranged in a specific order. After using tools 1 and 2, a clear indication of the culture type should exist and only the applicable culture needs to be analysed for positive or negative impact.

Participants indicate how strongly they agree or disagree with the statements about their organisations and responses are scored from 1 to 5 for strong disagreement to strong agreement respectively. High scores on the even numbered statements indicate positive culture attributes while high scores on the odd numbered statements indicate predominantly negative impact of the culture type on business success.

Combining the results of tools 1, 2 and 3 it is possible to position the culture of an organisation in the Double Cube S model of fig. 2.2.

The questionnaire as well as the scoring key for the determining the positive or negative impact of the culture type on business performance, is given Appendix C (p.73).

2.5.4 Part 4. Critical incident analysis

By using the tools 1 and 2, it is possible to determine the culture type of an organisation. By using tool 3 is possible to determine whether it has a positive
or negative tilt. However, sometimes it is difficult to decide between two cultures. If the culture of an organisation is critically linked to success, it is better to make sure about something that is perceived to be so indefinable and soft. Tool 4 is used to verify the findings and outcomes of tool 3. It could be particularly useful when it is difficult to decide between outcomes.

Tool 4 consists of four sets of 10 scenarios, one set for each culture type. For every scenario statement, the positive and negative culture responses are given. Participants select the most fitting description for every statement. Not only will the votes quickly provide an idea about the positive or negative tilt of the culture, but the biggest contributing factors will also be highlighted.

In cases where the results of tools 1 and 2 provides definition of the culture type in terms of the quadrants of the double s cube model it is only necessary to do critical incident analysis for the relevant culture. Should there be any doubt about the culture type, critical incident analysis must be performed for all the likely culture types.

The tool 4 questionnaire, for the determining the positive or negative impact of the culture type on business performance, is given Appendix D (p.75).

2.6 Summary

The two objectives for chapter 2 were a) to find definitions for organisational culture in terms of its elements that could be useful for managers and, b) to find suitable measurement tools for organisational culture. Many definitions are given in the literature for culture but very few are of any practical use for managers.

The most useful definition of culture describes it in terms of its sociability and solidarity. Sociability is a measure of friendliness amongst the members of the
group while solidarity describes how well the members of the group work together towards common objectives.

The levels of sociability and solidarity of a group falls on a continuum. Groups can have high scores on both, either, or neither of these parameters. Four basic types of cultures are defined in terms of the levels of these two parameters. These are described as communal, networked, fragmented or mercenary cultures.

The influence of sociability or solidarity can be either positive or negative on the performance of a group and the culture of a group is therefore modelled as a cube. The model, shown in Fig. 2.2, is called the double s cube.

No one single culture is good or bad for a group. The culture fit depends on the situation. The culture type of a group might be functional or dysfunctional and it might be necessary to change the culture of a group in order to meet the challenges of the future.

Only one set of measuring tools could be found for culture measurement. The four tools described in this chapter are based on observational checklists, character questionnaires and incident analyses. The first and second of these tools measure culture in terms of sociability and solidarity while the third and fourth are used to measure to what extent these parameters are contributing positively or negatively to the performance of the group.

The definition of culture in terms of it's elements and the associated measurement tools provides new insight into the problem of understanding culture.
3.1 Introduction.

Objective 3 of this study is to explore the leadership skills needed to change the culture of an organisation from one form to another and to examine the possible implications of such a change.

People get excited about leadership, and everybody would like to know what makes a great leader? But what is leadership? According to Gibson, Ivancevich & Donnlley (1994: 439) leadership is the psychological process of accepting responsibility for task, self, and fate of others. Bateman & Zeithaml (1993: 410) define a leader as one who influences others to attain goals. Managers or leaders accomplish much of what they do through delegation (Covey 1989: 170). The greater the number of followers the greater the influence.

3.2 Strategic Management.

Strategic management involves managers from all parts of the organisation in the formulation and implementation of strategic goals and strategies. The essence of strategic thinking (Hickman & Silva, 1986: 46) is locating, attracting and holding customers.
Weeks and Lessing (1988: 2-16) define organisational strategy as the determination of basic long-term goals and the adoption of courses of action and allocation of resources for reaching these goals.

**Fig 3.1 Elements of Strategic Management**

```
Mission
↓
Strategic goals
↓
Corporate strategy
↓
Business strategy
↓
Functional strategies
```

Source: (Bateman & Ziehehal, 1993: 147)

Strategic management is the ongoing activity in which all managers are encouraged to think about long term tactical and operational issues. This activity involves both internal assessments and environmental analysis. Strategic management is about accomplishing the organisations goals in future.

**Fig 3.2 The Strategic Management Process.**

```
Internal Assessment
↓
Strategy Formulation
↓
Strategy Implementation
↓
Strategic Control
```

Source: (Bateman & Ziehehal 1993: 146)
Although organisations use different terms or emphasise different parts of the process, these concepts and components of successful strategies are found in every organisation.

**Fig 3.3 Requirements for successful strategies.**

<table>
<thead>
<tr>
<th>Strategy Components</th>
<th>Action to be taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Satisfy customer needs. Recognise that different customers have different needs</td>
</tr>
<tr>
<td>Competitors</td>
<td>Gain competitive advantage with products or services offered. Keep differentiation in mind</td>
</tr>
<tr>
<td>Company</td>
<td>Capitalize on strengths. Develop, products, services, distribution and culture for success.</td>
</tr>
</tbody>
</table>

Source: (Hickman & Silva: 1989: 48)

### 3.3 Strategic Leadership.

While strategic management is focussed on the determination of the future part of the organisation, strategic leadership is about influencing others to accomplish the organisation's goals in future. These goals could be the meeting of revenue targets, profits, market share, customer satisfaction levels or the development of new products and services etc., but it could also involve changing the culture of the organisation to a form more suitable to the challenge.

New companies like Apple, Compaq, Lotus, Oracle, and Microsoft appeared to go from nowhere to billions in revenue in a very short space of time. Bill Gates (Gates, 1995: 35) calls it the positive spiral. Companies that have outstanding products attract the attention of investors. Talented people want to work with other talented people. Soon customers pay more attention and the spiral continues, making success easier. Conversely, there is a negative spiral. A company in the positive spiral has an air of destiny while a company
in a negative spiral feels doomed. If the company start to lose market share or delivers a bad product, investors start to ask questions. The press and analysts smell blood and start to tell inside stories about everything that is wrong in the company. Soon a negative air surrounds the company. When companies enter the downward spiral it can be extremely difficult to turn it around. Leaders like Lee Iacoca managed it at Chrysler (Iacoca & Kleinfield, 1988: 119). Organisations and managers might be striving for improvement but change is not always a choice. It might be forced upon an organisation in order to survive.

In the overall context of implementing strategy three elements need to be addressed namely: customers, competitors and company. Elements of the company strategy includes products services, distribution, promotion etc and culture. The element of culture is no doubt the most difficult to grasp (Stonich, 1982: 30).

A critical ingredient in implementation of strategic and cultural change are the skills and abilities of leaders (Weeks & Lessing, 1988: 5-72) to understand and manipulate culture. With the definition of culture in terms of the elements of solidarity and sociability as a starting point, managers need leadership skills to manage culture.

3.4 Strategic Leadership from a culture perspective.

Organisations can fail because the inappropriate social architecture is in place. While strategic thinking aims at getting and keeping customers, culture building attracts, develops, motivates and unifies the employees (Hickman & Silva, 1986:87). One critical way to prevent inappropriate social architecture is to take on the challenge of changing the levels of sociability and solidarity. In other words to move the culture of an organisation in the double s cube model. This movement might be forced or voluntarily and it might be in
reaction to internal or external reasons. It might be necessary to take action to move the organisation into new cultural quadrants or it might be necessary to prevent movement into the negative culture from.

Firstly, some typical negative symptoms and the possible solutions will be given for every culture type. With these tools one can ensure that behaviour leans towards the positive for a given culture.

Secondly, it might be necessary to influence the sociability or solidarity behaviour of the group and thereby moving it from one quadrant in the Double S Cube to another.

3.4.1 Leadership to avoid a dysfunctional culture.

Culture can change over time from a healthy to unhealthy. Even if the overall levels of sociability and solidarity remains unchanged, the influence of culture can turn negative. This is must be corrected as soon as possible.

Fig 3.4 Strategy — culture matching grid.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Commitment</th>
<th>Competence</th>
<th>Consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Match?</td>
<td>Match?</td>
<td>Match?</td>
</tr>
<tr>
<td>Competitors</td>
<td>Match?</td>
<td>Match?</td>
<td>Match?</td>
</tr>
<tr>
<td>Company</td>
<td>Match?</td>
<td>Match?</td>
<td>Match?</td>
</tr>
</tbody>
</table>

Source: (Hickman & Silva: 1989: 48)
### Fig. 3.5 Leadership to avoid negative communal culture

<table>
<thead>
<tr>
<th>Symptom</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Complacency, under estimating and</td>
<td>Regularly benchmarks. Compare the organisation to radically different</td>
</tr>
<tr>
<td>undervaluing the competition.</td>
<td>organisations and industries.</td>
</tr>
<tr>
<td>2 Believing your own dispropoganda.</td>
<td>Build and organize opportunities to discuss credo and values.</td>
</tr>
<tr>
<td>3 Talking the values but not practicing them.</td>
<td>Ensure values are associated behaviours and are built into appraisals</td>
</tr>
<tr>
<td></td>
<td>and reward systems.</td>
</tr>
<tr>
<td>4 Not learning from other organisations.</td>
<td>Expose to others (alliances, consultants) and bring in new people.</td>
</tr>
</tbody>
</table>

Source: Goffee & Jones, 1998: 27

### Fig. 3.6 Leadership to avoid negative networked culture

<table>
<thead>
<tr>
<th>Symptom</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Extensive gossip, rumour spreading and</td>
<td>Confront rumourmongers. Get to the grapevine first by making information</td>
</tr>
<tr>
<td>intrigue.</td>
<td>more available.</td>
</tr>
<tr>
<td>2 Exclusive cliques.</td>
<td>Move people around. Move their location or change job descriptions.</td>
</tr>
<tr>
<td>3 Long meetings without commitment of action.</td>
<td>Introduce more structure into meetings. Limit time. Conclude with action</td>
</tr>
<tr>
<td></td>
<td>points and clear accountabilities.</td>
</tr>
<tr>
<td>4 Cynicism about products.</td>
<td>Celebrate quality. Invite employees to use products and make constructive</td>
</tr>
<tr>
<td></td>
<td>suggestions for improvement quality.</td>
</tr>
</tbody>
</table>

Source: Goffee & Jones, 1998: 27
### Fig. 3.7 Leadership to avoid negative fragmented culture

<table>
<thead>
<tr>
<th>Symptom</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Good people are leaving.</td>
<td>Tie in the stars. Rewards must be highly competitive.</td>
</tr>
<tr>
<td></td>
<td>Relate to their desires for self-fulfilment.</td>
</tr>
<tr>
<td>2 Lying about outputs or exaggerated their</td>
<td>Repeated market testing. Collect objective data about</td>
</tr>
<tr>
<td>significance.</td>
<td>the &quot;stars&quot; from clients and respected authorities.</td>
</tr>
<tr>
<td>3 Immediately savaging ideas that are not their</td>
<td>Create context that reduce risk. Brainstorm, train in</td>
</tr>
<tr>
<td>own.</td>
<td>feedback skills, and recognize good work.</td>
</tr>
<tr>
<td>4 Failure to see inter dependencies where they</td>
<td>Light touch leadership that makes connections between</td>
</tr>
<tr>
<td>exist.</td>
<td>people.</td>
</tr>
</tbody>
</table>

Source: Goffee & Jones, 1998: 28

### Fig. 3.8 Leadership to avoid negative mercenary culture

<table>
<thead>
<tr>
<th>Symptom</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Faction Fighting. (Unit A versus Unit B)</td>
<td>Repeat collective purpose and common enemies.</td>
</tr>
<tr>
<td>2 No time to think. Diving straight into action.</td>
<td>Initiate strategic review. Focus on future. Use &quot;away days&quot; to make</td>
</tr>
<tr>
<td></td>
<td>people step back and gain perspective.</td>
</tr>
<tr>
<td>3 Important things don't get done because they are</td>
<td>Refocus measurement systems. Include some items that require cooperation.</td>
</tr>
<tr>
<td>not measured.</td>
<td></td>
</tr>
<tr>
<td>4 Ego clashes and people seeking revenge.</td>
<td>Train people in conflict handling skills.</td>
</tr>
</tbody>
</table>

Source: Goffee & Jones, 1998: 28

Goffee & Jones (1998: 70-88) describe how to manipulate the elements of sociability and solidarity by building or reducing it.
3.4.2 Leadership to build sociability.

Sociability must be built, brick by brick. Real friendships take time and energy. The bad news for managers is that the process of building social interaction can be expensive. There are costs without obvious revenues attached to them.

In the process of building trust, friendship and caring the following could be done.

- Design architecture conducive to social interaction. The way a workplace looks and is laid out can have a huge impact on the levels of sociability. Open plan offices with large shared spaces for social activities will go a long way in improving opportunity for social interaction.

- Increase informality and limit hierarchical differences. Nothing dampens sociability faster than an executive dining room or assigned parking spaces. The first blows the ill wind of a social pecking order and the later creates resentment, especially on rainy days. Both underscore that people in the organisation are separate and not equal. It undermines the sense of identity that is fundamental to friendships forming. It is not proposed to eliminate all forms of hierarchy and formality, all companies need some level of both, but sociability can be improved when hierarchy and formality are handled with care.

- Create a culture of caring. When real caring is at work, sick employees don't get flowers they get visits. Caring is about doing and managers can only create a culture of caring if they model the behaviours themselves.
3.4.3 Leadership to reduce sociability.

Sociability can of course begin to undermine the organisational outcomes when the negative forms of communal or networked culture emerges. How can sociability be decreased?

- Break up cliques. Managers must sometimes separate people who are making relationships exclusive instead of inclusive. To do this teams may need to be reformed or assignments changed. Occasionally, relocating where people sit may also be necessary.
- Challenge bad-mouthing and politicking when you see it. It is like the popular phrase coined in the 1960's: "If you are not part of the solution, you are part of the problem". To decrease the behaviours of negative sociability, everyone has to be made to feel as if they are part of the solution.

3.4.4 Leadership to build solidarity.

- Create a sense of common purpose and urgency. One way to decrease negative sociability is to increase solidarity. Solidarity is driven by clarity, about goals, values and purpose.
- Develop a keen awareness of the competition. Just as some companies don't share explicit goals, some don't share a fear of the same enemy, or any enemy at all.
- Introduce mechanisms of discomfort. Mechanisms of discomfort build solidarity because they build on the company's strengths and weaknesses. They make people think about strategy instead of politics and replace an internal focus with an external view.
- Link actions with outcomes. In high solidarity cultures people know what to do and why. The what is communicated through explicit job descriptions and performance measurement programs. The why is communicated
through crystal clear reward systems where performance equals money. When you want to increase attention to performance, reward the desired behaviour with money or recognition.

- Demand commitment to action. High solidarity comes when leaders demand action and reinforce this demand by celebrating people who do the right things, who act and who create change.

3.4.5 Leadership to reduce solidarity.

Sometimes, as in the case with sociability, solidaristic behaviours are not the right response to the particular competitive or organisational context. For instance, people within a mercenary culture may be inclined to make quick, decisive plans when the organisation and its performance could benefit from a slower more considered approach. In such instances there are a few tools to reduce solidarity.

- Introduce measures of qualitative behaviour. Not everything could or should be measured by a number.
- Make values for collectively more explicit. Reward collective behaviours like sharing, working together and cooperation.
- Break up solidaristic cells. Because solidarity can be highly localized, sometimes the best way to diminish it is to move the members around.

3.5 Summary

Objective three of this study was to explore the leadership skills needed to change the culture of an organisation from one form to another and to understand the possible implications of such a change.

In this chapter various leadership tools were given which could be used to move the culture of a group in this cube from one form to another. This is a
process of selecting, motivating, rewarding, retaining and unifying employees in order to reach strategic goals.

Essentially, the tools focus on how to move culture from the negative quadrants (non-functional) to the positive (functional) for each culture type. Furthermore, various tools were given to either build or reduce the levels of sociability and solidarity in order to establish a new culture. Leadership skills are focused on the building blocks of solidarity and sociability; these are manipulated individually to achieve the desired change in culture.
4.1 Introduction

Objective four of this study is to apply the culture measurement criteria to a South African company, as a case study, in order to assess the ease with which the measuring tools can be applied. Objective five is to apply leadership skills to manipulate the culture of an organisation as part of the case study.

In chapter two, culture was defined in terms of solidarity and sociability. Four tools were given that could be used to measure culture. Tools 1 and 2 are used to determine the culture type while tools 3 and 4 are used to measure the positive or negative influence of the culture form. In chapter 3, strategic leadership was analysed. Various guidelines were given that could be useful when changing the culture of an organisation.

If these tools were to be useful to managers in managing the culture of their organisations it should be easy to use and provide accurate results. This will be put to the test in this chapter.

4.2 The case study

The sales and service organisation selected for this study, Arlabs (Pty.) Ltd, is the South African subsidiary of a large international organisation, Thermo Optek Inc., with factories and distribution organisations all over the world. The
author of this dissertation is the managing director of Arlabs and has got access to all records and information about the company.

Every organisation in the group is managed as a separate company. Revenues, profit, stockholding, headcount, expenses etc. are reported separately and apart from the inter company business there is not much in common between the associated companies.

Top management would not interfere with the day to day running of the subsidiaries as long as the businesses in the group are successful in meeting agreed upon budgets and targets. Obviously benchmarking takes place to measure critical ratios such as sales per person, stock as percentage of turnover, debtors and many more but top management is giving little attention to the culture of each individual company.

Like all big listed organisations, the top management is focused very much on profits and revenue growth, in order to satisfy the shareholders. Growth is sometimes achieved by acquisitions. With acquisitions, new companies, each one with its own culture, are added to the group and as long as they are successful in contributing towards the targets of the holding company, not much attention is given to it's culture. It would be up to the manager of every organisation to manage and change the culture if necessary.

Therefore, despite the belonging to one holding company, the various factories and distribution organisations in this big international organisation is expected to have different cultures. The culture of the South African distribution organisation used in this case study shows good social interaction and every member of the team focused on the overall goals of the company. The culture is therefore expected to be communal.
4.2.1 Subject of the case study

Business activity

Arlabs sells and services spectroscopic instruments in South Africa and the neighbouring countries like Zimbabwe and Mozambique. Spectrometers are used to do elemental analysis on materials. These instruments are commonly found in the manufacturing processes of metals like steel, stainless steel, copper, brass, aluminium or platinum etc. They are also commonly used in the manufacturing of products such as cement, brake pads and even in the processing of minerals and drinking water. These instruments are mostly sophisticated, custom built, expensive and used intensively. Customers typically operate their production facilities around the clock and a 24-hour backup service is normally required from Arlabs to maintain high availability of their analytical facility.

Historical Background

Arlabs was established 30 years ago in South Africa as the local service organisation of the Swiss based Applied Research Laboratories (ARL). Ownership of ARL changed a few times over the years but since 1997 it belongs to Thermo Optek Inc, based in the USA. Employees of Arlabs grew from 4 in 1970 to 35 in 1995 to cater for all the products of the various holding companies. Not all the product lines proved to be profitable and some rationalization took place during 1995 and 1996. Headcount was gradually reduced to the current 21 employees. Arlabs is well known in the market place and is the number one or two supplier in the markets that it serves. Quality has always been a serious consideration and Arlabs was the first South African supplier of analytical instruments to achieve ISO 9002 registration. Today Arlabs is one of the most profitable distribution companies in the Thermo Optek stable.
Employee profile

In order to sell and service the relatively sophisticated analytical instruments trained, knowledgeable, and experienced people are required. Arlabs has continually invested heavily in factory training of its product specialists, engineers and technical managers. Over the years Arlabs also succeeded in keeping these knowledgeable and experienced people. The average number of service years amongst employees is currently more than 11 years. This unusually high average indicates that people are happy to stay at Arlabs. This should already indicate something about the culture of the company, as it is unlikely that people would stay in the employment of a company if the circumstances were not pleasant.

Table 4.1 Arlabs employee profile.

<table>
<thead>
<tr>
<th>Department</th>
<th>Management</th>
<th>Service</th>
<th>Stores</th>
<th>Sales</th>
<th>Accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of people</td>
<td>2</td>
<td>13</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Average age</td>
<td>52</td>
<td>39</td>
<td>47</td>
<td>38</td>
<td>39</td>
</tr>
<tr>
<td>Average years of service</td>
<td>13</td>
<td>15</td>
<td>8</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Race</td>
<td>2 White</td>
<td>12 White</td>
<td>1 Coloured</td>
<td>2 White</td>
<td>2 White</td>
</tr>
<tr>
<td></td>
<td>1 Black</td>
<td></td>
<td>1 Indian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex</td>
<td>2 Male</td>
<td>12 Male</td>
<td>2 Male</td>
<td>2 Male</td>
<td>2 Female</td>
</tr>
<tr>
<td></td>
<td>1 Female</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Structure

As to be expected for a small sales and service organisation, Arlabs has got a simple and flat structure.
Fig. 4.2 Arlabs organisational structure.

Source: Arlabs (Pty) Ltd ISO 9002 Manual
4.3 Methodology

In determining the culture of Arlabs, 20 of the 21 employees were given the culture measurement tools in the format of appendix A, B, C & D. One employee was unavailable for the survey due to business commitments. For the purposes of the study the absence of one employee was not deemed to be significant because the remaining 20 participants represented 95% of the employees of Arlabs.

The concept of organisational culture and the elements of sociability and solidarity were explained to the participants. The 20 participating employees were then asked to complete the questionnaires. It was stressed that there is not a single correct or incorrect answer and the participants were urged to be honest and open in their responses.

Employees were also asked to only draw on their experiences of the current year in order to provide a picture of the current state of affairs.
4.4 Analysis of results

Table 4.4 Results of the Arlabs culture survey

<table>
<thead>
<tr>
<th>Participant</th>
<th>Tool 1</th>
<th>Tool 2</th>
<th>Tool 3</th>
<th>Tool 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Observational Checklist</td>
<td>Corporate Character Questionnaire</td>
<td>Positive or Negative</td>
<td>Critical Incident Analysis</td>
</tr>
<tr>
<td></td>
<td>Space</td>
<td>Communication</td>
<td>Time</td>
<td>Identity</td>
</tr>
<tr>
<td>1</td>
<td>C</td>
<td>C</td>
<td>N</td>
<td>C</td>
</tr>
<tr>
<td>2</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>3</td>
<td>C</td>
<td>C</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>4</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>5</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>6</td>
<td>N</td>
<td>C</td>
<td>N</td>
<td>C</td>
</tr>
<tr>
<td>7</td>
<td>C</td>
<td>N</td>
<td>N</td>
<td>C</td>
</tr>
<tr>
<td>8</td>
<td>N</td>
<td>C</td>
<td>N</td>
<td>C</td>
</tr>
<tr>
<td>9</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>F</td>
</tr>
<tr>
<td>10</td>
<td>N</td>
<td>C</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>11</td>
<td>N</td>
<td>C</td>
<td>C</td>
<td>F</td>
</tr>
<tr>
<td>12</td>
<td>C</td>
<td>C</td>
<td>N</td>
<td>C</td>
</tr>
<tr>
<td>13</td>
<td>C</td>
<td>C</td>
<td>N</td>
<td>C</td>
</tr>
<tr>
<td>14</td>
<td>C</td>
<td>M</td>
<td>N</td>
<td>M</td>
</tr>
<tr>
<td>15</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
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<tr>
<td>16</td>
<td>N</td>
<td>N</td>
<td>C</td>
<td>F</td>
</tr>
<tr>
<td>17</td>
<td>M</td>
<td>N</td>
<td>N</td>
<td>M</td>
</tr>
<tr>
<td>18</td>
<td>F</td>
<td>N</td>
<td>N</td>
<td>F</td>
</tr>
<tr>
<td>19</td>
<td>N</td>
<td>M</td>
<td>N</td>
<td>M</td>
</tr>
<tr>
<td>20</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>M</td>
</tr>
</tbody>
</table>

Key: N: Networked, M: Mercenary, F: Fragmented, C: Communal

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Table 4.5 Results Tool 1, Observational checklists

<table>
<thead>
<tr>
<th>Culture type</th>
<th>Score</th>
<th>Majority</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Space</td>
<td>12</td>
<td>6</td>
<td>N</td>
</tr>
<tr>
<td>Communication</td>
<td>10</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Time</td>
<td>18</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Identity</td>
<td>6</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td>7</td>
<td>22</td>
</tr>
</tbody>
</table>

Key: N: Networked, M: Mercenary, F: Fragmented, C: Communal

4.4.1 Type of culture

Tool 1, the observational checklist and tool 2, the corporate character questionnaire, were used to determine the culture of Arlabs. Both tools proved to be quick and easy to use.

The graphical presentation of the Arlabs culture is given in Fig 4.6
4.4.2 Results Tool 2: The corporate character questionnaire:

Fig 4.6 Arlabs culture

Key: A = Arlabs Average (42:42)
The culture of Arlabs, according to tool 1, is of the networked type. Analysis of the way physical space is utilized, the way in which communication is done, how time is used and the way identity is expressed reveals that 57.5% of the participants viewed the Arlabs culture as networked while 27.5% of the responses indicated a communal culture. It is interesting to note that 90% of the participants experienced time usage at Arlabs as networked while corporate identity at Arlabs shows a 50:50 split between networked and communal culture. In the cases of physical space and communication, networked culture seems to be the preference with 60% and 50% respectively but once again communal culture runs a close second with 30% and 40% of the votes respectively.

The results obtained with tool 2, clearly indicates a communal culture with 85% of the votes. Tool 2 identified only 10% of fragmented culture behaviour, 5% of networked and no mercenary culture inclination.

The results of both tool 1 and tool 2 showed that Arlabs very seldom exhibits fragmented and mercenary cultures. Neither of the tools showed more than 10% occurrence of fragmented or mercenary culture behaviour of the business. This result is perhaps more significant than the result of the actual culture type. Both tools clearly indicate what the culture is not.

These results are very encouraging indeed. According to both tools, the culture of Arlabs showed a high score on the sociability axis. Tool 2 showed a high solidarity score while tool 1 indicated a medium solidarity score.

It can be concluded that the Arlabs culture generally exhibits communal characteristics. Certain aspects of the business, like time usage, shows more networked culture features. These tools also shows that Arlabs has no or little mercenary or fragmented culture behaviour.
Table 4.7 Tool 3: Is the culture positive or negative?

<table>
<thead>
<tr>
<th>Culture type</th>
<th>Score</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>15</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>M</td>
<td>9</td>
<td>17</td>
<td>172</td>
</tr>
<tr>
<td>F</td>
<td>142</td>
<td>18</td>
<td>146</td>
</tr>
<tr>
<td>C</td>
<td>156</td>
<td>22</td>
<td>146</td>
</tr>
</tbody>
</table>

Number of Participants 15 2 2 15
Positive responses 156 9 17 172 354 52%
Negative responses 142 22 18 146 328 48%
Total number of responses 298 31 35 318 682
Balance positive or negative +14 -13 -1 +26 26
% 52.5% 71% 51% 54%

Key: N: Networked, M: Mercenary, F: Fragmented, C: Communal

Table 4.8 Tool 4: Critical incident analyses: is the culture positive or negative?

<table>
<thead>
<tr>
<th>Culture type</th>
<th>Score</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>14</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>M</td>
<td>59</td>
<td>20</td>
<td>108</td>
</tr>
<tr>
<td>F</td>
<td>60</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>C</td>
<td>119</td>
<td>34</td>
<td>138</td>
</tr>
</tbody>
</table>

Number of Participants 14 1 3 11
Positive responses 59 3 20 108 190 63%
Negative responses 60 7 14 30 111 37%
Total number of responses 119 10 34 138 301
Balance positive or negative -1 -4 +6 +26 26
% 51% -70% -59%+ 78%+

Key: N: Networked, M: Mercenary, F: Fragmented, C: Communal

The next question, namely whether the culture is positive or negative, was answered by tools 3 and 4. Once again these tools were quick and easy to use.
Tool 3 indicated a slight positive tilt for both networked and communal cultures with 52% and 54% of the votes respectively. The results of tool 4 for networked culture was undecided with a 49:51 split between positive and negative, while the results for the communal culture showed a healthy 78% tilt towards the positive side.

Broadly speaking, the combined results of the four tools thus positions Arlabs in the communal quadrant with a positive tilt in culture. The results of the different tools correlated reasonably well and promise to be useful in analysis of the culture of an organisation.

4.5 Manipulation of culture by using leadership skills.

Objective five of this study is to apply leadership skills to manipulate the culture of an organisation as part of the case study.

4.5.1 The ideal Arlabs culture.

Arlabs is small enough and stable enough, to benefit from a totally communal culture. With just over 20 employees, it should be possible to reap all the benefits of high sociability and high solidarity. Arlabs is well established in the market that it serves and its financial performance is solid. No fundamental change or restructuring is necessary and the best strategy to follow in the current situation is to reinforce and improve the current position of strength, thereby protecting the company from competition and complacency. Furthermore, analysis of the Arlabs culture shows that the balance between positive and negative contribution hovers too close to the neutral for comfort.

The immediate goals are therefore a) to increase solidarity and, b) improve the positive tilt of the communal culture.
4.5.2 Solidarity improvement

Solidarity is about clear and common goals and values. To improve the solidarity of an organisation leadership is needed to define the goals more clearly and then to mobilize people to reach these goals.

4.5.3 Goal setting

In an effort to improve solidarity in Arlabs, goals are defined for every department. Furthermore certain overall goals for customer satisfaction is defined. These are as follows:

Sales department goals
- Overall sales revenue targets
- Margin target per sale

Service department goals
- Overall service revenue targets
- Margin target per month
- Service contract sales
- Productivity improvement
- Cost and overtime control

Accounts department goals
- Debtors levels
- Foreign currency exposure

Stores department goals
- Overall spares sales revenue
- Margin target
- Stock level
4.5.4 Motivation for achieving goals

Clear goals without monitoring and motivation would bring no results. The following are the motivational aspects introduced to support the above goals:

Sales department motivation
Commission based on revenue and margins achieved.
Celebration of each major sale.

Service department motivation
Service engineer of the quarter award.
Service manager to be rewarded financially for achieving service revenue, margin and productivity targets.

Accounts department motivation
Financial reward for achieving debtor's levels and foreign currency targets.
Celebration of success quarterly

Stores department motivation
Financial reward for achieving overall spares sales revenue, margin and stock level target.

Overall motivation
Celebration of achieving customer satisfaction targets as measured by ISO system.
Celebration of achieving overall financial targets.
Celebration and rewards for employees who provide new and useful information about the competition.

4.5.5 Leadership to avoid negative culture.

Analysis of the Arlabs culture revealed that care must be taken to avoid negative influences of culture. Arlabs exhibits mostly communal culture but certain aspects of behaviour is best described as networked. Analysis of the responses where it is indicated that either the communal or networked culture is negative showed the following aspects to improve:

Turning negative communal culture positive
1. Arlabs sometimes becomes complacent and underestimates the competition. Complacency and under estimating of the competition can be avoided by regular benchmarking. Where possible programs to learn from others must be introduced.
2. Sometimes, values and targets are talked about but not practiced. To avoid talking but not practicing values and targets, these must be introduced into appraisal and reward systems. Forums must be introduced where people can be challenged about what and how certain things are done.

Turning negative networked culture positive
1. Examples of negative aspects of networked cultures are present at Arlabs with gossip and rumour spreading. These can be countered by confronting rumourmongers and getting to the grapevine first by making more information available.
2. A second negative symptom is long meetings without commitments. This is countered by introducing more structure into meetings and limiting time.
3. Friendships can stop people from making tough decisions in networked organisations. Efforts and forums must be introduced to act fairly and in the best interest of Arlabs at all times.
4.6 Summary

The objectives for this chapter were to apply culture measurement criteria to a South African company, as a case study, in order to assess the ease with which the measuring tools can be applied and to apply leadership skills to manipulate the culture of an organisation as part of the case study.

The four measuring tools described in chapter 3, were used to measure the culture of an organisation in terms of solidarity and sociability. The extent with which the culture contributes positively or negatively to success was also determined.

All four tools were easy to use and the results of the different tests correlated. The culture of the organisation in question was determined easily and the results of the participants correlated to a surprising high degree. This is particularly encouraging as culture is often perceived as soft and difficult to measure accurately.

The elements of culture namely sociability and solidarity must be manipulated to change the culture of Arlabs. Goals and motivational tools is defined to effect the change. The results of the culture measuring tools highlighted aspects of the Arlabs culture, which have a negative influence on the organisation. These are used to guide management in defining goals for changing the culture tilt form negative to positive.
5.1 Introduction

The last objective of this study, namely objective six, is to provide an opinion on the usefulness of the culture definition, measurement tools and leadership skills to manipulate the culture of an organisation. The case study in the previous chapter provided first hand experience of the practical issues of conducting an investigation in the culture of a real world business.

5.2 Conclusion: culture as a concept for management

Culture as described in terms of the elements of sociability, solidarity and the positive or negative influence and is graphically illustrated with the double s cube model in fig 2.2 provides managers with a very useful tool.

The elements of culture, sociability and solidity are easy to understand and to manage. Defining culture in terms of these elements makes the whole process very easy and intuitive. During the case study it became clear that people easily relate to the descriptions of culture in terms of communal, networked, mercenary or fragmented types.

The positive or negative tilt of culture explains why the functional organisations can easily change into dysfunctional. On the surface it might look as if the culture of an organisation is healthy with appropriate levels of sociability and solidarity but below the surface these could have a very negative impact on performance.
5.3 Conclusion: culture measurement tools

Any definition of culture without proper means to measure would be worthless to managers. The culture measuring tools used in this study, namely the observation checklists, the corporate character questionnaire and the two tools for measuring positive or negative tilt, support the double s cube model beautifully and provide managers with something very useful. The tools were quick and easy to use and provide an immediate entry point to the culture management of an organisation.

5.4 Conclusion: leadership tools for manipulating culture

With the double s cube definition of culture and the measurement tools described earlier, culture management becomes a question of managing the elements of solidarity, sociability and aspects relating to the positive and negative tilt of culture.

5.5 Recommendations

The double s cube model of culture is a very useful one. The culture measurement tools that were used to position a company within the model could do with some refinement. Participants can bias the outcome of the tests because in most cases, the outcome of the tests is almost immediately apparent. Depending on the viewpoint of participants, there could be deliberate attempts to influence the outcome of the analysis either positively or negatively. Even subconsciously people could respond incorrectly. The use of the words mercenary and communal, in tool 1, could guide people as "mercenary" is perceived as more negative that "communal". In tools 3 and 4 the words "positive" and "negative" in the headings of the tables gives the intention of the analysis away and could influence people to choose headings...
and not the content. Tool 2 is well structured and it is generally not possible to deliberately bias the results.

5.5.1 Recommendation: Tool 1

It is recommended to change the headings of the checklists in such a way that it is not immediately clear what the culture type is. The four blocks of the first checklists could be marked A, B, C and D. The blocks corresponding to the different culture types on second checklists could be marked E, F, G and H and should not be arranged in the same order as the first checklist. The same goes for checklists three and four. A separate scoring key can be used after completion by participants to arrive at the final outcome. By introducing these measures it would not be possible to choose or avoid a certain culture type.

5.5.2 Recommendation: Tool 3

Tool 3 proved to be very easy to use but the scoring key should not be provided on the same page.

5.5.4 Recommendation: Tool 4

The words "positive" and "negative" should be removed from the headings. Tool 4 could be arranged in a similar way as tool 3. By mixing positive and negative questions, bias could be eliminated. The additional work of using a scoring key to arrive at the final outcome would be worth the while.

5.5.5 Recommendation: Briefing before completion of questionnaires

As a minimum, the following must be included in the briefing:

1. The time span for which the analysis is done e.g. 6 last months.
2. It must be stressed that no answer is right or wrong.
3. Participants should be encouraged to reflect the actual state of affairs and not the politically correct.
4. Participants should be asked to answer from their own perspective.
5. A short explanation of the purpose of the analysis and the double s cube culture model is very useful.

5.5.6 Recommendation: Repeat analysis

Repeat analysis of the culture of an organisation once or maximum twice per annum will provide managers with some insight of any culture movement and change in the organisation.

5.5.7 Recommendation: Further study

This case study represented only one culture type and the organisation under consideration is relatively simple. The manipulation of culture was relatively minor. Solidarity was enhanced and the actions were put in place to eliminate the negative elements of the Arlabs culture. More drastic alteration could be more difficult.

Further study with different culture types could prove very useful to the understanding of the culture and leadership to change culture. More dramatic changes of culture could also highlight the potential negative effects of such culture changes.

5.6 Summary

The last objective of this study was to form an opinion on the usefulness of the concept culture, its definitions, measurement tools and leadership skills to manage culture as defined in chapters two and three.
Results of the case study indicate that the concept culture, as described in the double s cube model, is a very useful tool for managers. It provides a quick and easy entry point to the culture management of an organization. Firstly, the tools that are available to measure culture provide results that could be used to position a company in the double s cube model. Secondly, the results of the culture measurement could be used to formulate and decide on the best course of action when it is necessary to change culture.

Culture management is done by manipulating the sociability and solidarity levels in an organisation and by ensuring positive contribution of these elements to business successes. The clear leadership guidelines to achieve this manipulation could be very useful for managers.

By using the concept of culture, managers could establish competitive advantages for their businesses. Culture management could be the secret key to open a situation whereby it is possible to improve business performance and at the same time create an environment where people are happy to achieve these goals.
ORGANISATIONAL CULTURE AND STRATEGIC LEADERSHIP

OPSOMMING

ORGANISASIE-KULTUUR EN STRATEGIESE LEIERSKAP VIR SUKSES: ‘n GEVALLESTUDIE

1. Inleiding

Sakeondernemings doen vandag besigheid teen ‘n agtergrond van veel meer uitdagings as in die verlede. Die politieke en ekonomiese omgewing is dinamies en bestuurders moet voortdurend gereed wees om te reageer op aspekse soos nuwe arbeidswetgewing, groter omgewingsbewustheid, internasionale mededinging, tegnologiese verandering en vele ander uitdagings wat vroeër nie so intens bestaan het nie. Dit geskied alles met meer en strawwer mededinging as in die verlede.

Handelsooreenkomste, inligtingstegnologie en moderne infrastruktuur maak dit maklik vir ondernemings om wereldwyd op te tree. As gevolg van die nuwe toeganklikheid van die internasionale markte is ondernemings algemeen wat eksponensieel groei van ‘n klein begin tot omsette gemee in biljoene, maar die omgekeerde is ook waar. Ondernemings kan in ‘n baie kort tydsbestek van hul domine posisie tuimel.

Baie aspekte van sukses kan akkuraat gemee word. Tegnologie kan bestuurders vandag met meer inligting (aangaande omsette, winste, verhoudings, opbrengste, markaandeel, mark tendense ens.) voorsien as wat ooit gebruik kan word. Ongelukkig is meer as net inligting nodig om sukses te waarborg.

‘n Sukcesvolle organisasie-kultuur is nodig om ‘n onderneming in die moderne mededingende omgewing te laat oorleef. Hierin vind bestuurders groot frustrasie want kultuur is moeilik meetbaar en nog moeilik om te bestuur.
2. Doelwitte van die studie

Die oorhoofse doelwit van die studie is om organisasie-kultuur en strategiese leierskap vir sukses te ondersoek. Ses doelwitte, ter ondersteuning van die oorhoofse doelwit, word in die studie nagetreef:

**Doelwit 1**
Om 'n werkbare definisie van organisasie kultuur te vind wat bestuurders kan help om kultuur beter te verstaan en besluite te neem wat op kennis gebasser is.

**Doelwit 2**
Om geskikte instrumente te vind wat bestuurders kan gebruik om organisasie-kultuur te meet.

**Doelwit 3**
Om die leierskapsvaardighede, nodig om die kultuur van 'n onderneming te manipuleer en bestuur, te ondersoek.

**Doelwit 4**
Praktiese gebruik van die ge-identifiseerde meetinstrumente en die bepaling van die kultuurtipe van 'n onderneming, in 'n gevallestudie.

**Doelwit 5**
Praktiese toepassing van die nodige leierskapsvaardighede en die manipulering van die kultuur van 'n onderneming in 'n besondere sakeonderneming.

**Doelwit 6**
Om 'n mening uit te spreek oor die praktiese nut van die kultuurdefinisie, sommige meetinstrumente en leierskapsvaardighede vir bestuurders.
3. Definisie van organisasie-kultuur

Daar bestaan baie definisies van organisasie kultuur. Slegs een definisie kon gevind word wat bestuurders bruikbare insig gee in die elemente van kultuur. In terme van die ge-identifiseerde definisie bestaan kultuur uit twee elemente naamlik a) die eenvormige taak of werkgerigtheid van die onderneming (solidarity) en b) die vlak van sosiale skakeling of integrasie van die spanlede (sociability). Die elemente is onafhanklik van mekaar en die kultuur van ‘n onderneming val in een van vier kwadrante afhankende van die vlak van werkgerigtheid en sosiale integrasie. Vier basiese kultuurtipes word gedefineer. Enige van die vier kultuurtipes kan ‘of positief ‘ of negatief inwerk op die bereiking van sukses vir die onderneming. Kultuur word dus verduidelik aan die hand van ‘n kubus bestaande uit agt blokke. Die kultuur van ‘n onderneming word beste beskryf deur een van die vier kultuurtipes en die mate waartoe dit positief of negatief inwerk op die onderneming.

Fig A. Die kultuur-kubus-model

Bestuurders kan die model gebruik deur die elemente daarvan te manipuleer ter bereiking van strategiese doelwitte.
4. Organisasiekultuur meetinstrumente

Voordat besluite geneem kan word oor die kultuur van 'n onderneming moet dit eers akkuraat gemeet word. Daar is onder andere vier instrumente beskikbaar waarmee die kultuur van 'n onderneming gemeet kan word. Die eerste twee instrumente meet bloot die vlakke van sosiale integrasie en taakgerigheid. Op grond van die meetresultate is dit moontlik om die kultuur te plaas in een van die kwadrante van die kubus-model. Die tweede stel instrumente word gebruik om te bepaal tot watter mate die kultuur van die organisasie positief of negatief op sukses inwerk.

**Instrument 1: Kultuur-waarneming**
Hierdie instrument bestaan uit vier dele. Die onderneming word ge-analiseer in terme van die gebruik van a) ruimte en spasie, b) tydsbenutting c) identiteitsuitdrukking en d) kommunikasie. Die instrument bestaan uit 'n kort beskrywing vir elkeen van die vier aspekte asook die vier tipiese kultuurbeskrywings vir elk van die aspekte. Deelnemers kies bloot die kultuur wat hul onderneming die beste beskryf.

**Instrument 2: Kultuur-vraelys**
Die kultuur-vraelys bestaan uit 'n reeks stellings oor die organisasie. Deelnemers dui aan tot watter mate die stelling die onderneming beskryf of nie. Antwoorde wissel van 1 to 5 en deur gebruik te maak van 'n sleutel kan die kultuur grafies uitgedruk word in terme van die twee asse van taakgerigtheid en sosiale integrasie.

**Instrument 3: Is die kultuur positief of negatief?**
Instrumente 1 en 2 gee 'n aanduiding van kultuur in terme van die vier basiese tipes. Vir elke kultuurtipe is 'n reeks stellings geformuleer. Stellings word beoordeel deur aan te dui tot watter mate dit van
toepassing is op die onderneming. Die positiewe of negatiewe invloed word bepaal deur gebruik te maak van 'n sleutel.

**Instrument 4: Insident analyse.**

Die laaste instrument beskryf 10 insidente. Vir elke kultuurtipe word die positiewe en negatiewe reaksie beskryf. Deelnemers kies die mees waarskynlike uitkoms vir hul onderneming. Die mate waartoe die kultuur positief of negatief inwerk op die onderneming word bepaal deur die positiewe en negatiewe stemme te sommeer en die meerderheid te bepaal.

Die bogenoemde stel instrumente word gegee in die aanhangsels van die studie.

5. **Strategiese leierskap**

Strategiese leierskap is nodig om werknemers te bestuur en motiveer om strategiese doelwitte te bereik. Dit kan baie aspekte soos nuwe produk- en dienste-ontwikkeling insluit. Ten einde strategiese doelwitte van kultuur te bereik is dit nodig om die elemente van kultuur te manipulateer.

Dit word gedoen deur die taakgerigtheid van die onderneming te verbeter of te onderdruk en sosiale integrasie te verbeter of te onderdruk. 'n Aantal hulpmiddels word in die studie gegee wat gebruik kan word om die manipulasie te bewerkstellig. So kan byvoorbeeld taakgerigtheid verbeter word deur meer doelwitte te stel. Bestuur sal moet verseker dat werknemers die doelwitte nastreef en beloning, finasieel en andersins, kan gebruik word om doelwit-bereiking te bevorder. Verder sluit strategiese leierskap die proses in waardeur kultuur van die negatiewe kwadrant na die positiewe kwadrant beweeg kan word.
6. Die gevallestudie

Ten einde die bruikbaarheid van die kultuurmodel en meetinstrumente, aangedui in hierdie studie, te beoordeel is 'n gevallestudie gedoen. Arlabs, die Suid Afrikaanse filiaal van Thermo Optek, 'n groot internasionale maatskappy met wêreldwye belange word gebruik in die gevallestudie. Die kultuur van Arlabs word ge-analiseer en deur gebruik te maak van die resultate word doelwitte gestel 'n vir toekomstige gewenste kultuur. Strategiese leierskap word gebruik om die kultuur te bestuur en van een blok in die kultuur-kubus-model na 'n ander te beweeg.

7. Gevolgtrekkings en aanbevelings

Die organisasie kultuur-definisie in terme van taak-gerigheid en sosiale integrasie asook die positiewe of negatiewe invloed daarvan (soos beskryf met die kultuur-kubus-model) is inderdaad bruikbaar vir bestuurders. Dit gee 'n duidelike insig in die kultuur van 'n onderneming en verskaf 'n vertrekpunt waarvandaan ingeligte besluite geneem kan word.

Die meetinstrumente lever vinnig, bruikbare resultate en is maklik om te gebruik. 'n Analise van die resultate kan bestuurders help om leemtes en tekortkominge in hul organisasies te identifiseer en strategiese doelwitte te formuleer. Die ontwerp van die beskikbare meetinstrumente kan verbeter word maar dit hou beslis baie belofte in vir bestuurders wat belangstel om hul organisasie-kultuur en leierskap doeltreffend te gebruik in die bereiking van sukses.

Die strategiese leierskap-hulpmiddels wat beskikbaar is om kultuur van 'n organisasie mee te manipulateer is gefokus op die basiese elemente of boublokke van kultuur en is maklik om te gebruik.
Organisasi-kultuur, die kultuur-kubus-model en strategiese leierskap kan met vrug gebruik word deur bestuurders om vir hul ondernemings 'n mededingende voordeel te bewerkstellig.
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**APPENDIX A**

**Tool 1: THE OBSERVATIONAL CHECKLIST**

**Fig. A1 The Observational Checklist: Physical Space.**

### Physical Space

Think about the space occupied by the group under evaluation. Is it shared? Who is it shared with? Do people defend their space? Culture can be read in the way people carve out territories for themselves. Are doors firmly closed? Are doors locked? Do departments "police" their boundaries with gatekeepers or ferocious secretaries? Is security conspicuously present in the building?

Space often tells something about status, power and connections. Consider to whom goes the most space. How is space allocated? Think about office space, dining rooms, social clubs, and parking space. Who gets the room with a view?

Next think about the way people decorate their space. In some offices the walls are bare, in others the walls are decorated with family pictures, professional achievements, post it notes, sales graphs or even photos of the managing director. All these items tell something about the individual’s connection with the organisation.

Main entrances are often rich in clues. Is the corporate logo everywhere? Are there grandiose reception desks and expensive paintings? Are the floors expensive marble? Are there spaces to sit? Do people move through busily or stop to chat? Are products on display? Is there a huge difference between head office and operating units or factories?

Finally think about the functionality of the space. Is everything used for work related activities? Is there space allocated for social events, coffee rooms or gardens? Who instituted the new designs?

### Networked

Office doors are open and unlocked. People move freely into and out of each other’s rooms. Offices may be decorated with pictures of family, hobbies, cartoons, humorous stories, pictures of colleagues, etc. Large allocations of space are for social activity. "Privileged" space (larger offices, car parking) is linked to the formal hierarchy but there are also “deals” favouring some but not others. There may be corporate logos but in negatively networked organisations these may be the source of some amusement. Similarly, different territories within the building may be decorated and defended in ways that set them apart from others. Outsiders are likely to be spotted, they will knock on doors and they will dress differently.

### Mercenary

Space is allocated functionally in ways to help to get the job done. Open plan or flexible desk use is possible but that is usually only in order to assist simple, efficient and cost effective methods of task achievement and not chatting. Uninvited people that drop by are likely to be shooed away if someone is busy. Little space is wasted in work areas or entrances may be designed to underline fearsome reputation. Office decorations may be dominated by awards, recognition of achievement, etc. Space allocation may be linked to achievement and there are no favours in the car park, indeed the customer may even dominate it.

### Fragmented

Space is designed to help individuals work without interruption. Office doors are locked and offices are equipped so that employees are effectively self-contained. Much of the time these offices might be empty. People might be with customers, at conferences working from home etc, but it would be hard to tell. Some individuals may make their elusiveness a trademark. In the fragmented organisation there is very little corporate space. Work is conducted from home, the car etc.

### Communal

Much space is shared either formally (open plan) or informally (lots of movement in and out of offices). It may sometimes be difficult to determine whose office you are in, and there are few barriers between departments and functions. There are unlikely to be big differences in space allocation between people. Extensive informal socializing supports formal social facilities: food and drink spread into the workplace. The corporate logo is everywhere. The office decorations will improvise around, extend, or adapt the language of the company values, mission or credo.
Fig. A2 The Observational Checklist: Communication.

**Communication**

Think about how the people communicate. How do people prefer to exchange ideas and information - e-mail, fax, phone? How much time do people spend talking face to face? In some businesses you are overwhelmed by a rich buzz while in others you are met with deathly silence. In some organisations you dare not send a memo without copying half a dozen others while others can make a ritual of burning unnecessary papers.

Think about how easy it is to get hold of others in the organisation. Does hierarchy or function get in the way of effective communication or is it simply a matter of busy schedules? Do people deliberately make themselves unavailable? In some organisations you have to speak to five answering machines before hearing a human voice.

As organisations globalise, distance increasingly effects how people communicate. How does the business communicate across geographical and cultural distance? Does the organisation recognize this as a challenge?

Finally, when people meet is it groups or is it primarily one to one? Are there formal meetings or do they just happen around the coffee machine? Who is involved in the meetings? Is it insiders only or might customers and suppliers are involved?

Imagine a communications network. Who are the main players and who are not involved in it?

<table>
<thead>
<tr>
<th>Networked</th>
<th>Mercenary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>There is a lot of talk in networked organisations.</strong> Although there are formal hierarchies and processes, much communication takes place informally face to face, on the phone and in meetings before meetings. Paper based documents may be annotated by hand before being passed to some others in the network. E-mail may be used to gossip. In highly politicised networks documents may be copied routinely to key players. Skillfully managed, the network spans the business and assist integration but often cliques and factions form around functions, levels, businesses or countries, which impedes communication. On the other hand, because there is a lot of talk, there is the possibility of rapid information exchange and increased creativity. Considerable attention may be paid to communication in the right way, style, manner and presentation instead of the content.</td>
<td><strong>Communication is swift, direct and work focussed.</strong> Terse memos and data laden reports leave very little room for idle conversation. Conflicts are unlikely to be solved by gentlemanly agreements. Face to face confrontation and duelling are more common. Communication across boundaries (hierarchy, geography, etc) is expected and accepted if it is task focussed. Meetings are businesslike with a premium on actionable outcomes. The expression of personal problems is discouraged.</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Fragmented</th>
<th>Communal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Talk is limited to one to one exchanges in the corridor or on the phone. Meeting are resisted (what is the point? Difficult to arrange, hard to manage for any length of time without boredom, acrimony, or people simply walking out) People will only talk to those worth talking to in order to get rid of a problem, pick their brains, to ask for resources. Otherwise the deal is, I leave you alone if you leave me alone. Key individuals may be difficult to find. Documents may replace talk but there is no guarantee that it would be read. Much communication is directed outside the organisation to clients and professional peers.</strong></td>
<td><strong>There is communication in every channel, but oral face-to-face methods are likely to dominate. Nonverbal communication is nevertheless important. Dress, colour and symbolism may all help individuals feel close to others. Communication flows easily inside between levels, departments and across national cultures but outsiders may feel excluded. Talk is littered with private company language reaffirming the bonds between members of the team. It is difficult not to talk and there are few secrets - private or professional. Guilt and shame are used to correct behaviour.</strong></td>
</tr>
</tbody>
</table>
**Fig. A3 The Observational Checklist: Time.**

<table>
<thead>
<tr>
<th>Time</th>
</tr>
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<tbody>
<tr>
<td>The third important area to observe is how people manage their time. How long do people stay at work? Is long hours the norm? If it is, who feels comfortable to leave first? Is it OK to leave before the boss? How carefully does your company measure time at work? Some businesses have made a point of abolishing clocking in, while others have extended it to all employees, including top executives.</td>
</tr>
<tr>
<td>When do you know that you are wasting your time? Does somebody have to tell you? How long does it take before you are found out? If you go for a drink with your team is it considered a waste of time?</td>
</tr>
<tr>
<td>How long do people stay in their jobs? How long do you expect them to stay? How long does it take to get to know somebody new in the organisation? Are people quickly open about their personal lives?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Networked</th>
<th>Mercenary</th>
</tr>
</thead>
<tbody>
<tr>
<td>People use time so to socialize and they are not penalized for doing so. Social activities are often an extension of a working day. This may make the working day long but some part of it may be in the bar, on the golf course or at the social club. People get to know each other quickly and many have known each other for a long time.</td>
<td>Long hours are the norm, although it is acceptable to leave when the job is done. This is clearly signalled, since time and performance measures are explicit. Private time is precious and where possible protected. It takes a long time to get to know people other than in their work roles. Idle chat is regarded as a waste of time.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fragmented</th>
<th>Communal</th>
</tr>
</thead>
<tbody>
<tr>
<td>People go to the office only when they need to and absence is the norm. Achievement, not time is the norm. Most time is devoted to the pursuit of individual professional and technical excellence. Anything that interferes with these, colleagues, administrative chores even customers can be considered a waste of time. It is possible for people to work together for many years without knowing each other. Careful time management is a key skill — often involving complex schedule control.</td>
<td>People live at work. Life is so engaged that conventional time is ignored. Work and non-work life dissolve into one. Close working relationships may be reflected in friendships, groups, marriage, affairs etc. Work becomes a way of life. Social activity that is disconnected from professional interests may be regarded as a waste of time.</td>
</tr>
</tbody>
</table>
Fig. A4 The Observational Checklist: Identity.

**Identity**

Look at how people express their personal identities. Do people try to look alike with common dress codes etc? Is there only one way to present yourself? Does the culture encourage expressions of individuality?

Within the organisation, do people identify with their teams, their functions, their division, the whole organisation, their profession, and their trade union or perhaps with their customers? Professionals often see themselves as lawyer's etc. first and then as members of their firms. Sometimes you find groups that bind themselves together through opposition to a dominant culture. This is often expressed in a business unit or team uniting in opposition to the corporate office.

When people identify with an organisation, what is it that they identify with? Is it their colleagues or is it the vision, values, traditions of their organisation? How all encompassing is this identification? Sometimes it is success that binds people together.

Think about what happens when people leave the organisation. Is it honoured by a celebration? Do people still see themselves as part of the family after they have left? Do they spend time promoting the company's products or services? Do people who leave ever return or do they disappear without a trace? Is there a thriving retirees club?

<table>
<thead>
<tr>
<th>Networked</th>
<th>Mercenary</th>
</tr>
</thead>
<tbody>
<tr>
<td>People identify with each other. Close ties of sociability heighten feelings of similarity as individuals. Differences are understated and if expressed at all they are seen in subtle variations of dress code or speech patterns. Excessive displays of personal differences are resisted. Personal loyalties persist. In some contexts the company may be criticized. This often manifests in dark humour, like criticizing yourself.</td>
<td>People identify with winning. Although norms of behaviour emerge here as anywhere, differences between individuals are acceptable and encouraged if they assist in achieving the required result. What draws people together are shared experiences, goals, and interests rather than shared sentiments and feelings. Ultimately, attachments are instrumental; the enemy may be the next employer if it suits personal interests. There is no shame in shifting allegiance or ruthlessly exploiting knowledge of business weakness once employees move on.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fragmented</th>
<th>Communal</th>
</tr>
</thead>
<tbody>
<tr>
<td>People identify with values of individualism and freedom, with personal technical excellence, with organisations that minimize interference. There are significant personal differences between individuals, but these are likely to impede achievement. Allegiance will be professional rather than organisational. Private lives are often a mystery and this is frequently a strong compensation for working in a fragmented organisation.</td>
<td>People identify with the values and mission of their company. The credo is often lived; the words are played out, enacted, debated, applied and developed. Work becomes a way of life. Excessive identification can lead to a loss of perspective, intolerance or criticism and complacency. The company attracts fierce loyalty. When individuals leave they continue to be supporters. Their identification can be disabling to their future careers. Work identity is carried over to private life and manifests in logos on clothing etc.</td>
</tr>
</tbody>
</table>
### Tool 2: THE CORPORATE CHARACTER QUESTIONNAIRE.

#### Fig. B1 The Corporate Character Questionnaire.

Indicate how strongly you agree or disagree with the following statements. This analysis can be done for a corporation, a division, a function, or even a small team. To identify the many cultures of an organisation it may be necessary to do the analysis for several units and levels of the organisation.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The group (organisation, division or team) knows its business objectives clearly.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. People of the group genuinely like one another.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3. People follow clear guidelines and instructions about work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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</tr>
<tr>
<td>4. People of the group get along very well and disputes are rare.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5. Poor performance is dealt with quickly and firmly.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>6. People often socialize after or outside work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>7. The group under investigation really wants to win.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>8. People do favours for each other because they like each other.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>9. When opportunities arise people move decisively to capitalize for improvement.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>10. People make friends for the sake of friendship. There is no other agenda.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>11. Strategic goals are shared between members of the group.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
</tr>
<tr>
<td>12. People often confide in one another about personal matters.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>13. People build close long-term relationships. Some day they may be of benefit.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
</tr>
<tr>
<td>14. Reward and punishment are clear in the group.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>15. People know a lot about each other's families.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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</tr>
<tr>
<td>16. The group is determined to beat clearly defined enemies.</td>
<td>1</td>
<td>2</td>
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<td>17. People are always encouraged to work things out.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>18. Hitting target is the single most important thing.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>19. To get something done, you can work around the system.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>20. Projects that are started are completed and tasks are followed through.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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</tr>
<tr>
<td>21. When people leave, co-workers stay in contact to see how they are doing.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>22. It is clear where one's job ends and where another person's job begins.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>23. People of the group, protect each other</td>
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</table>
Fig. B2 Scoring Key: The Corporate Character Questionnaire.

**Sociability**

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**Solidarity**

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<td>14</td>
<td>16</td>
<td>18</td>
<td>20</td>
<td>22</td>
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</tbody>
</table>

**Networked**

**Communal**

**Fragmented**

**Mercenary**

**Solidarity**
APPENDIX C

Tool 3: IS THE CULTURE POSITIVE OR NEGATIVE?

The following set of questions will indicate whether the culture of an organisation displays mainly positive or negative features.

**Fig. C1 Is the Communal Culture Positive or Negative?**

<table>
<thead>
<tr>
<th>COMMUNAL</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
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</table>

High scores on statements 1, 3 and 5 suggest that the communal culture is negative. High scores on statements 2, 4 and 6 suggest that the communal culture is positive.

**Fig. C2 Is the Networked Culture Positive or Negative?**

<table>
<thead>
<tr>
<th>NETWORKED</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
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</table>

High scores on statements 1, 3 and 5 suggest that the networked culture is negative. High scores on statements 2, 4 and 6 suggest that the networked culture is positive.
### Fig. C3 Is the Fragmented Culture Positive or Negative?

<table>
<thead>
<tr>
<th>Fragmented</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
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<td>1</td>
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</tbody>
</table>

High scores on statements 1, 3 and 5 suggest that the fragmented culture is negative. High scores on statements 2, 4 and 6 suggest that the fragmented culture is positive.

### Fig. C4 Is the Mercenary Culture Positive or Negative?

<table>
<thead>
<tr>
<th>Mercenary</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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</tbody>
</table>

High scores on statements 1, 3 and 5 suggest that the mercenary culture is negative. High scores on statements 2, 4 and 6 suggest that the mercenary culture is positive.
Tool 4: CRITICAL INCIDENT ANALYSIS

By using the three tools described in Appendixes A, B and C, it is possible to determine the culture type of an organisation and also whether it has a positive or negative tilt. However, the culture of an organisation is critically linked to success, and it is better to make sure about something that is perceived to be so indefinable and soft. Tool 4 will be used to verify the findings and outcomes of the previous three tools. It could be particularly useful when it is difficult to decide between two or more culture types.

Fig. D1 Communal Culture Critical Incident Analysis

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Someone asks for help with a business issue</td>
<td>The answer is yes, it will help our business</td>
<td>The answer is yes, anything you need</td>
</tr>
<tr>
<td>2 A star performer receives a big award</td>
<td>A big celebration is organized and people are generally pleased</td>
<td>People see it as proof that the organisation is infallible</td>
</tr>
<tr>
<td>3 A new CEO is recruited from outside the company</td>
<td>People help him and understand and apply key organisational values</td>
<td>People wistfully compare him or her to the old CEO</td>
</tr>
<tr>
<td>4 A task force is set up to develop the corporate credo</td>
<td>There is excitement among the people. It is good to develop and refine the core values constantly</td>
<td>There is a sense that it is a waste of time. The existing one is excellent and historically proven</td>
</tr>
<tr>
<td>5 The company must downsize</td>
<td>Management makes sure the pain is shared equally</td>
<td>People think that downsizing would be unnecessary if the organisation stuck to its core values</td>
</tr>
<tr>
<td>6 A major error has been made</td>
<td>People help those responsible for the error to learn from it</td>
<td>History is rewritten to show that an error was not made after all</td>
</tr>
<tr>
<td>7 A colleague has a great new idea</td>
<td>He or she is given recognition and the organisation implements its swiftly if it works in practice</td>
<td>People assume it must be a great idea. They celebrate it as further proof of the organisations invulnerability</td>
</tr>
<tr>
<td>8 A chance meeting occurs with a colleague outside work</td>
<td>They talk about work together, endlessly</td>
<td>They exclude all the others (family, friends etc.) and talk about work obsessively</td>
</tr>
<tr>
<td>9 A long serving employee should be dismissed for mediocre performance</td>
<td>Their exit is handled quickly and humanly and events are organized to mark their past achievements</td>
<td>He or she is carried passed the point that is good for the organisation and then let go in an emotion draining process</td>
</tr>
<tr>
<td>10 A new competitor enters the market</td>
<td>The organisation responds quickly by innovating and applying its capabilities and values</td>
<td>People think: nobody could compete with us, and in so doing, diminish the threat</td>
</tr>
</tbody>
</table>
### Networked Culture Critical Incident Analysis

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Someone asks for help with a business issue.</td>
<td>The answer is yes, but the favour will be returned one day.</td>
<td>Depending on who asked, the answer is yes.</td>
</tr>
<tr>
<td>2  A star performer receives a big award.</td>
<td>In the next few weeks' people make sure that they are in his or her network.</td>
<td>Someone starts a rumour that the reward may not have been fully deserved and others perpetuate this rumour.</td>
</tr>
<tr>
<td>3  A new CEO is recruited from outside the company.</td>
<td>A line immediately forms to get to know him or her.</td>
<td>People adopt a wait and see attitude.</td>
</tr>
<tr>
<td>4  A task force is set up to develop the corporate credo.</td>
<td>People are eager to join the task force in order to extend and refine the organisation's values.</td>
<td>People politic to ensure that the 'right' people get on the committee - people who will confirm existing way of doing things.</td>
</tr>
<tr>
<td>5  The company must downsize.</td>
<td>Senior managers talk to their people to ensure that it is done the right way.</td>
<td>People throughout the organisation starts rumours about who should and will go.</td>
</tr>
<tr>
<td>6  A major error has been made.</td>
<td>Managers talk to their people about how to respond and effectively and about how to maximize organisational learning.</td>
<td>Colleagues collude to make sure that the blame is placed elsewhere.</td>
</tr>
<tr>
<td>7  A colleague has a great new idea.</td>
<td>People spread the idea around the organisation as quickly and informally as possible and organize drinks after work to discuss it further.</td>
<td>People undermine the idea because of the not invented here syndrome.</td>
</tr>
<tr>
<td>8  A chance meeting occurs with a colleague outside work.</td>
<td>People take the opportunity to chat and to know each other better.</td>
<td>People take the opportunity to extract as much as possible information from each other – and give as little as possible back.</td>
</tr>
<tr>
<td>9  A long serving employee should be dismissed for mediocre performance.</td>
<td>Senior management makes the exit as humane as possible and the employee receives excellent outplacement services.</td>
<td>The employee is found an easier job to do inside the organisation.</td>
</tr>
<tr>
<td>10 A new competitor enters the market.</td>
<td>Colleagues work together to figure out ways to make entry difficult and expensive.</td>
<td>People convince each other that the new competitor is neither serious nor a threat.</td>
</tr>
</tbody>
</table>
### Fig. D3 Fragmented Culture Critical Incident Analysis

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Someone asks for help with a business issue.</td>
<td>People express surprise, then politely decline. There is no value in helping for either of them.</td>
<td>People express surprise, then abruptly decline. It is an imposition to be asked.</td>
</tr>
<tr>
<td>2. A star performer receives a big award.</td>
<td>People see this as evidence that they are working with stars, and confirmation of their elite status.</td>
<td>People see it as proof that their organisation undervalues them.</td>
</tr>
<tr>
<td>3. A new CEO is recruited from outside the company.</td>
<td>People ask themselves: What can he or she do for me?</td>
<td>People ask: How can I keep him or her off my back?</td>
</tr>
<tr>
<td>4. A task force is set up to develop the corporate credo.</td>
<td>People believe that it is not necessary. Individuals should just concentrate on what they do best.</td>
<td>People ignore or undermine the effort.</td>
</tr>
<tr>
<td>5. The company must downsize.</td>
<td>There is lobbying to ensure that the best people are retained.</td>
<td>The war of all against all is launched.</td>
</tr>
<tr>
<td>6. A major error has been made.</td>
<td>People believe the individuals responsible, no longer deserve their privileged status and should no longer be treated like prima donnas.</td>
<td>People don't care – it has got nothing to do with me.</td>
</tr>
<tr>
<td>7. A colleague has a great new idea.</td>
<td>People bask in the reflected glory and use the opportunity to negotiate extra resources.</td>
<td>People attack it.</td>
</tr>
<tr>
<td>8. A chance meeting occurs with a colleague outside work.</td>
<td>A perfunctory hello suffices.</td>
<td>They recognize each other vaguely and wave.</td>
</tr>
<tr>
<td>9. A long serving employee should be dismissed for mediocre performance.</td>
<td>People think that it is not their problem and continue to focus on their own personal performance.</td>
<td>People complain bitterly but won't bother to do anything about it.</td>
</tr>
<tr>
<td>10. A new competitor enters the market.</td>
<td>The organisation tries to steal the stars of the new entrant.</td>
<td>People wonder: So what?</td>
</tr>
</tbody>
</table>
## Fig. D4 Mercenary Culture Critical Incident Analysis

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Someone asks for help with a business issue.</td>
<td>The typical reaction is: How will this help the business?</td>
<td>The typical reaction will be: What is in it for me?</td>
</tr>
<tr>
<td>2 A star performer receives a big award.</td>
<td>Everyone works harder to improve his or her own performance.</td>
<td>People set the goal of beating the star performer by any means, fair or foul</td>
</tr>
<tr>
<td>3 A new CEO is recruited from outside the company</td>
<td>People ask: Was he or she successful in his or her previous job?</td>
<td>People ask: Who is this person, is he or she a threat to me?</td>
</tr>
<tr>
<td>4 A task force is set up to develop the corporate credo.</td>
<td>People are supportive because the task force will clarify goals and targets.</td>
<td>Most people perceive the task force as a distraction that could get in the way of making their bonus.</td>
</tr>
<tr>
<td>5 The company must downsize.</td>
<td>People see the move as something that will improve the organisation’s capacity to win.</td>
<td>People start to look for jobs with the competitors to see if they can get a raise out of it.</td>
</tr>
<tr>
<td>6 A major error has been made.</td>
<td>People try to find out who made it, then fix it and move swiftly on.</td>
<td>People try to make it look as if a rival was responsible for the mistake.</td>
</tr>
<tr>
<td>7 A colleague has a great new idea.</td>
<td>People immediately incorporate in their own work.</td>
<td>People steal the idea and claim it as their own work.</td>
</tr>
<tr>
<td>8 A chance meeting occurs with a colleague outside work.</td>
<td>People talk about work. When that’s finished, they stop. There is nothing else to talk about.</td>
<td>Conversation is about upstaging each other- proving who is doing better at work.</td>
</tr>
<tr>
<td>9 A long serving employee should be dismissed for mediocre performance.</td>
<td>It’s done quickly and efficiently. The open space is used to promote talent.</td>
<td>He or she is fired publicly and often in a humiliating way.</td>
</tr>
<tr>
<td>10 A new competitor enters the market.</td>
<td>Recourses are quickly mobilized to destroy the new entrant.</td>
<td>People ignore the new competitor until the impact hits their own personal or unit performance.</td>
</tr>
</tbody>
</table>