THE IMPACT OF FEEDBACK ON THE CHANGING OF ORGANISATIONAL
CULTURE

by

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I declare that "THE IMPACT OF FEEDBACK ON THE CHANGING OF ORGANISATIONAL CULTURE" is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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SUMMARY

The aim of this study was to determine the impact of feedback on organisational culture change. The empirical study was conducted among the employees of a financial institution in South Africa by means of a one-group Pre-test-Post-test design using the Corporate Culture Lite Questionnaire. The sample size for the pre-test and post-test measurement was 1584 and 927 employees respectively. A total of 203 feedback sessions were facilitated in five business units after the pre-test measurement according to the survey feedback approach. The data of the two measurements were compared using independent t-tests and p-values, to determine any areas of statistical and practical significant differences. The results indicate that in one of the five business units there was a practical significant difference between the two measurements of organisational culture on ten of the dimensions. This research therefore confirms that feedback has a limited impact on organisational culture change.

KEY WORDS:

Organisational culture, Change, Organisational culture change, feedback, survey feedback process, Communication

CHAPTER 1
OVERVIEW OF THE RESEARCH

The focus of this dissertation is on the impact of feedback on an organisation's culture over a two-year period. The aim of this chapter is to provide a background to and motivation for this research and to then formulate the problem statement and research questions. From the aforementioned, the aims, both general and specific, of the research are then stated. The paradigm perspectives are presented by discussing the intellectual climate and the market of intellectual resources. Thereafter the research design and research method, with the different steps involved, are formulated and the chapter layout will be given. This chapter will end with a chapter summary.

1.1   BACKGROUND AND MOTIVATION

In today's ever changing world of work, organisations need to meet their strategic objectives and satisfy all stakeholders (De Waal, 2002). This increasing rate of change can be attributed to increased information technology, growth in knowledge, globalisation and the liberalisation of society (Davis, 1995; Maree & Ebersöhn, 2002). It is therefore becoming important for organisations to manage the organisation's culture. Mergers, acquisitions, downsizing and restructurings are currently a world wide trend and may enhance innovation and progress but at the same time such changes can cause havoc to the management of people in the workplace (Baruch, 1999; 2003). All these changes are putting considerable pressure on organisations (and the employees working for them) to find ways to be more competitive, sometimes even internationally. This competition brings with it the need for organisations to do more with less (Schreuder & Theron, 2001).

The study of culture in organisations is important due to its link to organisational effectiveness (Ahmed, 1998; Denison, 1990; Gibson, Ivancevich & Donnelly, 1991) as well as its contribution to maintaining a strategic competitive advantage (Lado & Wilson, 1994; Martins & Martins, 2002). According to Alvesson (1993) the study of organisational culture can add value for the following two reasons:

- Organisational culture is a means of promoting more effective managerial action; and

- Culture is a point of entry for a broader understanding of, and critical reflection upon organisational life and work.

Over the last two decades, a substantial body of research has accumulated regarding the nature and prevalence of organisational culture (Ahmed, 1998; Alvesson, 1993; Denison, 1990; Gibson et al., 1991; Higgins & Mcallastar, 2004; Kotter & Heskett, 1992; Martins & Martins, 2002; 2003; O'Reilly, 1989; Ott, 1989; Schein, 1992; Schrodt, 2002; Stoner & Freeman, 1989; Williams, 2002) with many different definitions emerging from this literature. There seems however, to be some consensus amongst this literature that the definition for organisational culture includes the shared values, beliefs and basic assumptions held by organisational members.

For this study organisational culture is conceptualised according to Schein's (1992, p.12) definition as: 'a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems'.

As such, the culture that a group learns over time is simultaneously a cognitive, behavioural and affective process (Schrodt, 2002). Culture is thus to the organisation what personality is to the individual – a hidden yet unifying theme that provides meaning, direction and mobilization (Gibson et al., 1991).

The turbulent environmpent imposes changes on performance requirements of the organisation (Armstrong & Baron, 1998; Murphy & Cleveland, 1995) including the need to continuously improve to remain competitive. The capacity to introduce new strategies and practices (Kotter & Heskett, 1992) is thus critical. For this reason many organisations embark on processes such as re-engineering or streamlining of processes, restructuring of the business and various other strategic change processes. When organisations implement changes in their strategies it is important

to also implement corresponding changes in organisational culture, otherwise the strategy is likely to fail (Struwig & Smith, 2002). According to Schein (1990) many organisational change initiatives probably failed because they ignored the cultural forces in the organisations. Detert, Schroeder and Mauriel (2000) agree with this and state that a company's prevailing cultural characteristics can inhibit or defeat a re-engineering effort before it begins.

A strong organisational culture is important, according to O'Reilly (1989), due to the fit of culture and strategy as well as the increased commitment by employees to the organisation. These two factors, leading to a strong organisational culture, can give an organisation an advantage over its competitors.

Most large organisations comprise of different groups that are then also divided into subgroups (e.g. departments or divisions). These subgroups tend to mature and develop cultures of their own. Most large organisations thus have a dominant culture but can also have different sets of subcultures (Alvesson, 1993; Kilmann, Saxton, Serpa & associates, 1985; Kotter & Heskett, 1992; Martins & Martins, 2003; Ott, 1989; Schein, 1992; Williams, 2002). These subcultures tend to develop in large organisations where people experience common problems or situations based on geographical separation, department designations, project teams, different ranks etcetera.

The maturing process of organisations can be divided into three stages (Schein, 1992), namely (1) the founding and development stage, (2) organisational midlife, and (3) organisational maturity and decline. According to Schein (1992) the founding stage is the period of founder or family ownership while midlife organisations are publicly owned and have had at least two generations of general managers. Organisational maturity and decline is defined more by the interaction of the organisation with its environment than by its internal dynamics alone. A mature organisation can remain successful for a long period as long as it can adapt quickly to environmental demands. Struwig and Smith (2002) argue that organisations need to be aware of their own culture and purposefully link all changes and strategies to this culture.

Barney (1996) states that natural business cycles can sometimes impact an organisation's sustained superior financial performance and suggests three conditions for a sustained competitive advantage:

- The culture must be valuable and thus add financial value to the organisation.
- The culture must be rare and thus not common to the cultures of other organisations.
- The culture must not be easily copied.

Kotter and Heskett (1992) add to this that the distinguishing factor between successful and unsuccessful organisational culture changes is competent leadership at the top. As organisations mature, it is necessary that the leadership and organisational culture continuously adapt to changing circumstances and ensure that the culture at that point in time is in line with the particular demands (Maritz, as cited in Jacobs, 2003).

In order to improve or change an organisation's culture it is essential that the people in the organisation must have an understanding of the current culture. Feedback in the organisational context is thus very important. In practice feedback is usually given to organisational members who participated in the measurement of the organisation's culture. Feedback according to Cooke and Rousseau (1988, p.268) 'not only facilitates the process of debriefing participants but also involves them in discussion and interpretation of their profiles in comparison to those of other respondents'.

According to Church, Margiloff and Coruzzi (1995) data-based feedback is one of the most powerful and effective forms of inducing positive change. Feedback can serve two purposes namely promoting learning (informational value) and also promoting effort (motivational value) on the part of the people receiving the feedback (Hollenbeck, Ilgen, Lepine, Colquitt & Hedlund, 1998).

In the literature the benefits of giving feedback to individuals and groups are stated clearly and can be summarized as follows (Bailey & Fletcher, 2002; Burke, 1999;

Hollenbeck et al., 1998; Jabri, 2004; McAfee, Quarstein & Ardalan, 1995; Passos & Caetano, 2005; Steelman & Rutkowsi, 2004; Tourish & Robson, 2003):

- There are potential benefits in terms of development of the individual and also of the group.
- Receiving in-depth feedback will assist individuals in terms of having a greater awareness of behaviour that are expected and rewarded by the organisation.
- Receiving feedback is associated with enhanced performance.
- Receiving feedback has informational value in terms of promoting learning.
- Receiving feedback has motivational value in terms of promoting effort.
- Receiving feedback assists individuals and groups to be better equipped for work changes.
- The process of giving feedback promotes dialogue between group members in terms of discussing differences.
- Receiving feedback serves to guide, motivate and reinforce effective behaviour and puts a halt to ineffective behaviour.
- Giving feedback to teams in an organisation can assist the people working for the organisation to be better.

From the above it is evident that organisational culture can play an important role in any organisation in terms of organisational effectiveness and maintaining a strategic competitive advantage. Giving feedback, on the other hand, can assist organisations that are trying to change their cultures by helping the people in the organisation to first understand the current culture and to then know where to direct their efforts in terms of the change.

1.2   PROBLEM STATEMENT

A significant amount of research has been conducted on organisational culture but no reported studies could be found that focus specifically on the impact of giving detailed and in-depth feedback, to all levels of the organisation, on the organisational culture. This research will thus attempt to establish what the impact is of feedback on the organisational culture.

From the above the following research questions are formulated in terms of the literature review and empirical study:

1. How can organisational culture be conceptualised?
2. How can organisational culture change be conceptualised?
3. How can feedback be conceptualised?
4. What is the impact of feedback on organisational culture?
5. What recommendations can be formulated for the organisation as well as for Industrial and Organisational Psychology practices regarding change in organisational culture over a period of time?

1.3   AIMS

From the above research questions, the following aims are formulated:

1.3.1 General Aim

The general aim of this research is to determine what the impact of feedback is on organisational culture change.

1.3.2 Specific Aims

The following specific aims are formulated for the literature review and the empirical study:

1.3.2.1   Literature review

In terms of the literature review the specific aims are:

1. to conceptualise organisational culture;
2. to conceptualise organisational culture change;
3. to conceptualise feedback;

4. to theoretically determine the impact of feedback on the changing of organisational culture.

1.3.2.2 *Empirical study*

In terms of the empirical study, the specific aims are:

1. to determine the organisational culture before feedback;
2. to give detailed feedback to the organisation in terms of their culture;
3. to determine the impact of feedback on the organisational culture;
4. to formulate recommendations for the particular organisation as well as for the discipline of Industrial and Organisational Psychology with regard to organisational culture, and further research based on the findings in the research.

1.4 PARADIGM PERSPECTIVE

A paradigm (Jordaan & Jordaan, 1989) is a framework within which questions about human nature can be posed and answered. Every paradigm has a basic assumption or a series of assumptions. The paradigm perspective will be described by discussing the intellectual climate and the market of intellectual resources.

1.4.1 The Intellectual Climate

The intellectual climate according to Mouton and Marais (1992) refers to the variety of meta-theoretical values or beliefs that are relevant to the research. The relevant paradigms for both the literature review and the empirical research will now be discussed.

1.4.1.1 *Literature review*

The literature review on organisational culture and feedback will be presented from the paradigm of humanistic psychology. The basic assumptions of this paradigm are the following (Meyer, Moore & Viljoen, 1989; Moller, 1993):

- Each individual is studied as an integrated, unique, organised whole or gestalt.

- Man is a unique being with qualities that distinguish him from lifeless objects.

- Human nature is basically good, or at least neutral.

- The role of conscious processes is recognized, especially conscious decision-making processes.

- Acknowledgement of the person's active participation in determining his/her own behaviour, his/her inherent inclination towards actualizing his/her potential and his/her creative ability.

1.4.1.2   Empirical research

The empirical research will be presented from the functionalist paradigm. The basic assumptions of this paradigm are the following (Jordaan & Jordaan, 1989):

- People have consciousness which fulfills certain functions aimed at enabling them to adapt to their environment.

- Human consciousness is seen as the most important object of study – concentrating on why and how consciousness operates rather than on the content of consciousness.

- There is a strong connection between the functions of consciousness (perception, thought, feeling and will) and behaviour aimed at adaptation.

- Acknowledgement of the value of informal introspection outside the laboratory in ordinary daily living. This amounted to functionalists being set on observing themselves and others in order to determine how a particular function of consciousness is related to a particular behaviour in ordinary daily living.

1.4.2 The Market of Intellectual Resources

The market of intellectual resources refers to the collection of beliefs that has a direct impact on the epistemic state of scientific research. The two major types are theoretical beliefs about the nature and structure of a phenomenon, and methodological beliefs concerning the nature and structure of the research process (Mouton & Marais, 1992).

1.4.2.1   Meta-theoretical statements

The following meta-theoretical statements are discussed in order to contextualise the research.

a.   Industrial and organisational psychology

Industrial and organisational psychology according to the APA's Specialty guidelines for the delivery of services by industrial / organisational psychologists (as cited in Saal & Knight, 1995), involve the development and application of psychological theory and methodology to problems of organisations and problems of individuals and groups in organisational settings. Organisational psychology thus deals with the organisation, groups in the organisation as well as the individuals working for the organisation.

In this research the focus is on Industrial and Organisational psychology and specifically the subdiscipline of Organisational Psychology.

b.   Organisational psychology

Organisational psychology can be defined as the study of human behaviour, attitudes, and performance within an organisational setting; drawing on theory, methods, and principles from such disciplines as psychology, sociology, and cultural anthropology to learn about individual perceptions, values, learning capacities and actions while working in groups and within the total organisation; analysing the external environment's effect on the organisation and its human resources, missions, objectives and strategies. (Cummings & Worley, 2005; Ivancevich & Matteson, 1993).

c.   Organisational development

French and Bell (1999, p.25) define Organisational development as a long-term effort, led and supported by top management, to improve an organisation's visioning,

empowerment, learning, and problem-solving processes, through an ongoing collaborative management of organization culture – with special emphasis on the culture of intact work teams and other team configurations – using the consultant-facilitator role and the theory and technology of applied behavioural science, including action research'.

1.4.2.2   Theoretical models

According to Mouton and Marais (1992) models do not just play a classification function but also suggest relationships between data. In this research organisational culture will be investigated during the literature review by focusing on Schein's (1983, 1990, 1992) model for analysing and intervening in the culture of organizations.

1.4.2.3   Conceptual descriptions

The core concepts applicable to this research will now be described:

a. Organisational culture

Schein's (1992) conceptualisation will be used as basis for this research. Organisational culture according to Schein (1992, p.12) 'is a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems'.

b. Feedback

Feedback according to McAfee, Quarstein and Ardalan (1995, p.7) 'facilitates an individual's performance by providing the information necessary to improve his or her development of an effective work process or procedure'. Although this definition is based on individual feedback the same definition can apply to giving feedback to groups of people (Brown & Harvey, 2006).

1.4.2.4   Central hypothesis

The central hypothesis of the research can be formulated as follows:

Feedback will have a positive impact on the changing of organisational culture.

1.4.2.5   Methodological beliefs

Mouton and Marais (1992) describe methodological assumptions as the collection of beliefs that is concerned with the nature and structure of science and scientific research. The following beliefs are applicable to this research:

- Quantitative research methods will be used in this study.
- Convenient sampling procedure will be used in this research. The questionnaire will be sent to the whole population, given the choice to respond or not.
- The first person role is a Masters student in Industrial and Organisational psychology.
- The role of the second person is that of human being, respondent and employee. In this study the unit of study will be on group level of the particular organization.

1.5   RESEARCH DESIGN

According to Mouton and Marais (1992) the aim of research design is to plan the particular research project in such a way that the eventual external and internal validity of the research findings is maximized.

The research design will be discussed firstly by referring to the variables that will be studied, the type of research as well as the validity and reliability of the research.

1.5.1 Variables

In this research feedback is the independent variable and organisational culture the dependent variable. The objective of the research is to determine the impact of feedback, as the independent variable, on organisational culture, as the dependent variable.

1.5.2 Type of Research

In this study the literature review will be presented in the form of a descriptive study (Mouton & Marais, 1992) while the empirical study will be conducted by means of a one-group Pre-test-Post-test design, whereby the dependent variable is measured (pre-test) followed by the administration of the independent variable. The dependent variable is then measured again (post-test) to evaluate the impact of the independent variable (Leady, 2001).

1.5.3 Unit of Analysis

The unit of analysis refers to the type of unit a researcher uses when measuring and determining how a researcher measures variables or themes (Neuman, 2002). The unit of research, in this study, will be on group level by examining the results per business unit and its different subdivisions, as organisational culture is a collective phenomenon and cannot be determined by an individual.

1.5.4 Validity

Proper research design will ensure internal and external validity of the research findings (Mouton & Marais, 1992). For the research to be internally valid the constructs must be measured in a valid manner, the data gathered must be accurate and reliable and the final conclusions must be supported by the data. For the research to be externally valid the researcher must be able to generalize the findings to all similar cases (Mouton & Marais, 1992).

Internal validity in the **literature review** will be ensured by doing a thorough literature search, utilising literature that includes recent developments in the specific area and by analysing and presenting the literature review in a standardised way (Botha, 1999).

In the **empirical research**, validity will be ensured by selecting standardised measuring instruments and examining their content and construct validity. The validity of a measurement instrument refers to whether the instrument measures what it is supposed to measure (Leady, 2001). A measurement instrument has high content validity if its items or questions reflect the various parts of the content domain in appropriate proportions and if it requires the particular behaviours and skills that are central to that domain (Leady, 2001). Construct validity is the extent to which an instrument measures a characteristic that cannot be directly observed but must instead be inferred from patterns in people's behaviour (Leady, 2001).

1.5.5 Reliability

Using representative samples will ensure reliability in the empirical research. Instruments, of which the reliability has been proven through previous research, will be used to further ensure reliability of this study.

1.6 RESEARCH METHODOLOGY

This research will be conducted in three phases, namely:

- Phase 1: Literature review
- Phase 2: Empirical study
- Phase 3: Conclusions, limitations and recommendations

1.6.1 Phase 1: Literature Review

The literature review will consist of a review of literature on organisational culture as well as feedback.

1.6.1.1 Step 1: Organisational culture

Organisational culture will be conceptualized and critically evaluated. Theory and research relating to this topic will be examined to:

- conceptualise the concept organisational culture clearly;
- establish the importance of organisational culture;
- identify the dimensions of effective organisational culture;
- compare the various models of organisational culture.

1.6.1.2 Step 2: Changing organisational culture

The changing of organisational culture will be conceptualised and critically evaluated by examining the importance of change as well as different models for changing organisational culture.

1.6.1.3 Step 3: Feedback

The second step in the literature review will be to conceptualise feedback and its key aspects. Various accredited sources on feedback will be examined to:

- conceptualise feedback;
- establish the importance of feedback;
- compare different models of feedback.

1.6.1.4 Step 4: Theoretically determine the impact of feedback on the changing of organisational culture

1.6.2   Phase 2: Empirical Study

An empirical study will be conducted within a South African organisation.

The steps in the empirical study will now be discussed:

1.6.2.1   Step 1: Population and sample

The research organisation is structured according to business units with specific sub-divisions in each business unit. The population for this study will comprise of the 2228 employees employed by the research organisation, excluding employees in the support business units, namely Human Resources, Information Technology, Marketing and Finance. The population consists of males and females and will represent the four race groups, namely White, Black, Asian and Coloured people.

All the employees will receive the survey in an electronic format with a cover letter encouraging them to participate in the study. Since the employees have the choice to participate or not the sampling method can be described as convenient sampling. The sample size, for the quantitative part of the study, will be dependent on the response rate of the employees in the different business units.

1.6.2.2   Step 2: Measuring instruments

In the study, the **Corporate Culture Lite Questionnaire** (CCQlite) (Saville & Holdsworth, 2000) will be used to measure the perceived culture in the research organisation. The CCQlite is a comprehensive questionnaire with 23 major dimensions. This particular version (CCQlite) is based on an integrative model of an organisation's culture. The 23 major dimensions represent the aspects of corporate culture which are important to organisations and whose significance has been supported by empirical and theoretical research (Saville & Holdsworth, 2000). The final version of the CCQlite, which is based on the original Corporate Culture Questionnaire (CCQ) contains three items in each of the 23 scales and employs a five-point Likert response format ranging from 'Strongly disagree' to 'Strongly agree'. Information is obtained from employees about perceptions of their organisation in

respect of each dimension. The average completion time for the CCQlite is approximately 25 minutes.

The complete model of the CCQlite (with 23 dimensions) is shown in Appendix 1.

The CCQlite is based on the original version of the CCQ. Reliability studies (done on the CCQ) were carried out by identifying error of measurement, in the form of inconsistencies that would not emerge if the test were reliable. The reliability of the questionnaire was found more than acceptable (Saville & Holdsworth, 2000). Three types of validity studies were conducted on the CCQ instrument, namely face validity, content validity and construct validity (Saville & Holdsworth, 2000). The face validity and content validity were found acceptable. The results in terms of the construct validity were supportive and additional investigations in this regard will still be carried out (Saville & Holdsworth, 2000).

1.6.2.3 Step 3: Data collection

The data on organisational culture will be collected by means of two separate measurements – a pre-test and a post-test. For both measurements the CCQlite questionnaire will be distributed in an electronic format to all the employees in the population. The electronic questionnaire will contain a biographical section as well as a section to explain the completion of the questionnaire, including practice questions. A covering letter will be attached, explaining the purpose of completion of the questionnaire and also stating that participation is on a voluntary basis and that confidentiality is guaranteed. The researcher's contact details will also be included for any questions or uncertainties that the respondents might have. The researcher will also contact one person per branch telephonically to explain the purpose of completing the questionnaire and invite respondents to contact her for assistance.

1.6.2.4 Step 4: Data processing

The data will be processed, using the package Statistica (version 7). Descriptive statistics (means, standard deviations and frequency tables) will firstly be calculated for each dimension of the CCQlite for both the first and second year. The two years'

data will then be compared using independent t-tests and p-values, to determine any areas of statistical significant differences. The effect size will then be calculated for any possible areas of significant differences, to determine the practical significance of the differences. An analysis of variance will be done to confirm the findings.

1.6.2.5   *Step 5: Formulation of the hypothesis*

In order to operationalise the research, an empirical hypothesis will be formulated to determine the impact of feedback on the organisational culture of the research organisation.

1.6.2.6   *Step 6: Reporting and interpretation of results*

The results of the data analysis will be reported by means of tables and figures to provide the relevant statistical data.

1.6.3 Phase 3: Conclusions, Limitations and Recommendations

Conclusions will be reached, taking into account the information from the literature review as well as the empirical research. The shortcomings of the research will then be discussed and recommendations will be made for the organisation as well as for Industrial and Organisational Psychology practices regarding organisational culture over a period of time.

1.7 CHAPTER DIVISION

The following chapters will be presented:

Chapter 1: Overview of the Research
Chapter 2: Organisational Culture
Chapter 3: Changing Organisational Culture
Chapter 4: Feedback
Chapter 5: The Empirical Research
Chapter 6: Results of the Research

1.8   CHAPTER SUMMARY

This chapter began by describing the background and motivation for this research. The problem statement and research questions were then formulated. The aim of the study was then discussed followed by an explanation of the paradigm perspectives, the research design and method. The chapter concluded by providing an outline of the chapters to follow.

CHAPTER 2

ORGANISATIONAL CULTURE

The aim of this chapter is to conceptualise organisational culture. Organisational culture as well as subcultures will firstly be defined followed by a discussion of the importance of organisational culture. Different culture models will then be examined after which the dimensions for measuring organisational culture will be discussed. Lastly the forming and development of organisational culture will be discussed.

2.1 DEFINING ORGANISATIONAL CULTURE

In the literature there are no shortage of definitions for the concept organisational culture, specifically in the context of anthropology, organisational psychology and management theory (Struwig & Smith, 2002). According to Bagraim (2001) there is no single universally accepted definition of the term 'corporate culture'. He indicates that the earliest significant work regarding this concept was published in 1951. A multiplicity of definitions soon emerged as many writers used the term without much elaboration. Barney (1996) adds that few concepts in organisational theory have as many different and competing definitions as organisational culture.

According to Schein (1990) the concept of culture is ambiguous. Schein (1992, p.12) defines organisational culture as: 'a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems'.

Culture, according to Gibson et al. (1991), can be compared to the personality of an individual. The culture that a group learns over time is simultaneously a cognitive, behavioural and affective process (Schrodt, 2002) that is similar to the psychological activities or reactions of human behaviour namely the cognitive, affective and behavioural activities (Koortzen, 2005).

Ott (1989) also refers to the role that individuals play in the forming of organisational culture in his definition (1989, p.69) namely that 'organisational culture can be defined as a social force that controls patterns or organisational behaviour by shaping members' cognitions and perceptions of meanings and realities, providing affective energy for mobilization, and identifying who belongs and who does not'.

Goffee and Jones (1998) agree with this and state that the shared assumptions, beliefs and values can make the difference to an individual between commitment and disaffection. They further describe culture as the way things get done around here and as a common way of thinking, which leads to a common way of acting by the people involved.

Hatch and Schultz (1997) indicate that organisational culture involves all organisational members and originates and develops at all hierarchical levels of the organisation.

Barney (1996) defines culture as a complex set of values, beliefs, assumptions and symbols that define the way in which an organisation conducts its business. He adds that the culture of an organisation can be a source of sustained competitive advantage if it is valuable, rare and imperfectly imitable.

Martins and Terblanche (2003) define organisational culture as the deeply seated (often subconscious) values and beliefs shared by the people in an organisation. Organisational culture is manifested in the typical characteristics of the organisation and therefore refers to a set of basic assumptions that worked so well in the past that they are accepted as valid assumptions within the organisation. These assumptions are maintained in the continuous process of human interaction (which manifests itself in attitudes and behaviour), in other words as the right way in which things are done or problems should be understood in the organisation.

According to Ahmed (1998) culture is the pattern of arrangement or behaviour that is adopted by a group as the accepted way of solving problems. Culture therefore includes all the institutionalised ways and the implicit beliefs, norms, values and premises that underline and govern behaviour.

Higgins and Mcallaster (2004) define organisational culture as the pattern of shared values and norms that distinguishes one organisation from another. These shared values and norms indicate what is important in the organisation and how things are done.

Organisations are quite complex insofar as most large organisations have a dominant culture and also numerous subcultures (e.g. departments or divisions) (Alvesson, 1993; Bagraim, 2001; Cooke & Rossouw, 1988; Kilmann et al., 1985; Kotter & Heskett, 1992; Lok & Crawford, 2001; Martins & Martins, 2003; Ott, 1989; Schein, 1992; Williams, 2002). A dominant culture expresses the core values that are shared by a majority of the organisation's members (Alvesson, 1993; Kotter & Heskett, 1992; Martins & Martins, 2003; Ott, 1989; Schein, 1992; Williams, 2002). Subcultures tend to develop in large organisations where people experience common problems or situations based on geographical separation, department designations, project teams, different ranks etcetera.

Three types of subcultures have been identified by Siehl & Martin (as cited in Ott, 1989) namely, enhancing subcultures, orthogonal subcultures and countercultures. Where enhancing subcultures exist the assumptions, beliefs and values of the subculture are often stronger than those in the dominant culture. In orthogonal subcultures the members of the subculture accept the basic assumptions of the dominant organisational culture but they also hold some assumptions and values that are unique to the specific subculture. Countercultures have basic assumptions that are in conflict with the dominant culture of the organisation.

Most of the definitions of organisational culture have similarities and consensus that the definition for organisational culture includes the shared values, beliefs and basic assumptions held by organisational members as individuals. For the purpose of this study organisational culture is conceptualised according to Schein's (1992, p12) definition as 'a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems'.

2.2   IMPORTANCE OF ORGANISATIONAL CULTURE

Organisational culture is important for many reasons such as its link to effectiveness (Ahmed, 1998; Denison, 1990; Gibson et al., 1991) and its contribution to maintaining a strategic competitive advantage (Lado & Wilson, 1994; Martins & Martins, 2002). This aspect will be explored further by looking at the functions of organisational culture as both an advantage and a liability.

2.2.1   Culture as an advantage

Organisational culture can be seen as an advantage when it points the behaviour of the people working there in the right direction. In today's rapidly changing world, organisations are faced by issues such as globalisation, advanced information technology, intense competition that sometimes force organisations to downsize, delayer and outsource (Baruch, 1999, 2003; Davis, 1995; Goffee & Jones, 1998; Maree & Ebersöhn, 2002). In addition there are less rules and regulations, as these are seen as stifling creativity and flexibility. The concept of hierarchies and careers in organisations has also changed dramatically with organisations moving to less hierarchical structures and the new 'social career contract' where the emphasis is no longer on employment but on employability (Goffee & Jones, 1998; Schreuder & Theron 2001).

All the above issues break down the sense of cohesion in an organisation. Organisational culture can be seen as an important force and a source of competitive advantage to counter this loss of sense of cohesion. Leaders can influence how the organisation is positioned and how the culture evolves over time (Goffee & Jones, 1998). Martins and Martins (2003) describe organisational culture as the glue that holds the organisation together.

According to Davies and Philip (1994) organisational culture is crucial to organisational effectiveness. It is therefore important for the managers and leaders in the organisation to understand, monitor and manage the culture of the organisation.

Organisational culture draws the members of an organisation closer together and thereby creates a sense of cohesion.

Organisational culture is further seen by some authors as directly affecting the strategy in an organisation (Brown, 1998; Davis, 1995). Brown (1998) describes five ways that organisational culture affect strategy formulation as follows:

- organisational culture acts as a perception filter;
- organisational culture affects the interpretation of information;
- organisational culture sets moral and ethical standards;
- organisational culture proves rules, norms and heuristics for action; and
- organisational culture influences how power and authority is wielded in reaching decision regarding what course of action to take.

Schein (2004) describes the two basic functions of an organisation as survival in and adaptation to its external environment and the integration of its internal processes to ensure the capacity to continue to survive and adapt.

The issues or problems of external adaptation specify the coping cycle that any system must be able to maintain in relation to its changing environment, namely:

- Mission and Strategy - these entail obtaining a shared understanding of the core mission, primary task and manifest and latent functions.
- Goals - developing consensus on goals, as derived from the core mission.
- Means - developing consensus on the means to be used to attain the goals, such as the organisation structure, division of labor, reward system and authority system.
- Measurement - developing consensus on the criteria to be used in measuring how well the group is doing in fulfilling its goals, such as the information and control system.
- Correction - developing consensus on the appropriate remedial or repair strategies to be used if goals are not being met.

Schein (2004) further describes the internal integration issues that a group needs to deal with in terms of developing and maintaining a set of internal relationships among its members as follows:

- Creating a common language and conceptual categories - if members cannot communicate with and understand each other, a group is impossible by definition.

- Defining group boundaries and criteria for inclusion and exclusion - the group must be able to define itself, who is in and who is out, and by what criteria does one determine membership?

- Distributing power and status - every group must work out its pecking order, its criteria and rules for how members get, maintain and lose power. Consensus in this area is crucial to helping members manage feelings of anxiety and aggression.

- Developing norms of intimacy, friendship and love - every group must work out its rules of the game for peer relationships, for relationships between sexes, and for the manner in which openness and intimacy are to be handled in the context of managing the organisation's tasks. Consensus in this area is crucial to help members manage feelings of affection and love.

- Defining and allocating rewards and punishments - every group must know what its heroic and sinful behaviours are and must achieve consensus on what is a reward and what is a punishment.

- Managing the unmanageable and explaining the unexplainable – every group like every society, faces unexplainable events that must be given meaning so that members can respond to them and avoid the anxiety of dealing with the unexplainable and uncontrollable.

Organisational culture also serves the basic function of reducing anxiety that humans experience when they are faced with cognitive uncertainty or overload. It provides the individual with a system to sort out from all the information, what is important and what not (Schein 1983).

Martins and Martins (2003) describe the functions of culture in an organisation as follows:

- It has a boundary-defining role and thus distinguishes one organisation from the next.
- It conveys a sense of identity to organisation members.
- It facilitates commitment to something larger than individual self-interest.
- It enhances social system stability. Culture is the social glue that helps to bind the organisation by providing appropriate standards for what employees should say and do.
- It serves as a meaningful control mechanism that guides and shapes the attitudes and behaviour of employees.

The functions of organisations culture, according to Ott (1989), are very similar, namely:

- It provides shared patterns of cognitive interpretations or perceptions, so that members know how they are expected to act and think.
- It provides shared patterns of affect, so that organisational members know what they are expected to value and how they are expected to feel.
- It defines and maintains boundaries, allowing identification of members and non-members.
- It functions as an organisational control system, prescribing and prohibiting certain behaviours.

Brown (1998) describes the functions of organisational culture as follows:

- Conflict reduction – culture has been described as the 'cement' or 'glue' that bonds an organisation together.
- Co-ordination and control – culture promotes consistency of outlook and thus also facilitates organisational processes of co-ordination and control. Culture in the form of stories and myths provides the agreed norms of behaviour or rules that enable individuals to reach agreement on how to organise in general and the process by which decisions should be reached in particular.
- Reduction of uncertainty – at the individual level one of the functions of culture is in the transmission of learning or cultural knowledge to new recruits. These people learn how things work and how to behave and thereby reduce their anxiety in terms of decision-making and action.

- Motivation – organisational culture can be an important source of motivation for employees, thus a significant influence on the efficiency and effectiveness of organisations. Organisations often make use of extrinsic forms of motivation such as bonuses. Employees motivated by intrinsic factors however are far more likely to be successful. Organisational culture is very important in this regard by creating feelings of belonging and doing a worthwhile and meaningful job.
- Competitive advantage – a strong organisational culture can be a competitive advantage insofar as it promotes consistency, coordination and control, reduces uncertainty and enhances motivation. Organisational culture facilitates organisational effectiveness and therefore improves its chances of being successful in the marketplace.

2.2.2 Culture as a liability

Culture can also be seen as a liability and have a negative impact when it points behaviour in the wrong direction (Kilmann et al., 1985). Organisational culture, being the glue that holds the organisation together (Martins & Martins, 2003), can according to Simpson and Cacioppe (2001, p.396) 'be a liability when the shared values are not in agreement with what is needed to enhance organisational effectiveness'. Kotter and Heskett (1992) agree and state that strong cultures with practices that do not fit a company's context in terms of the needs from the market can be a liability.

Martins and Martins (2003) describe organisational culture as being a liability for the following reasons:
- Barrier to change

  In a dynamic environment where change and adaptation is critical in terms of survival a very strong organisational culture can limit the organisation's ability to adapt to these changes (Simpson & Cacioppe, 2001).

- Barrier to diversity

  Strong cultures put enormous pressure on employees to conform (Martins & Martins, 2003), making it difficult for people who are different to the majority of employees, in terms of race, gender or disability, to be accepted.

- Barrier to acquisitions and mergers

  One of the important factors when organisations consider acquisitions or mergers are whether the cultures of the relevant organisations are compatible as conflicting cultures have been attributed to the failure of such acquisitions or mergers (Martins & Martins, 2003).

Organisational culture can serve many functions like fostering a sense of cohesion, reducing anxiety, reducing uncertainty and providing a competitive advantage. It is evident from the above that although organisations try to develop strong cultures in order to be competitive and stay relevant in today's turbulent environment, that very same strong culture can be a liability when the culture is no longer relevant. Organisations therefore need to try and achieve a balance between having a strong culture but at the same time remain adaptable and agile.

2.3   CULTURE MODELS

There are many models of organisational culture in the literature that highlight different aspects and levels of organisational culture. Some of the representative models will now be discussed.

2.3.1 Kotter and Heskett's Model

Kotter and Heskett (1992) see organisational culture on two levels, which differ in terms of their visibility and their resistance to change and are illustrated in figure 2.1. At the deeper and less visible level, culture refers to values that are shared by the people in a group and that tend to persist over time even when group membership changes. At this level it is extremely difficult to change culture.

At the more visible level, culture represents the behaviour patterns or style of an organisation that new employees are automatically encouraged to follow by their fellow employees. At this level culture is still difficult to change, but not as difficult as at the level of basic values.

Shared values: Important concerns and goals that are shared by most of the people in a group, that tend to shape group behaviour and that often persist over time even with changes in group membership. Examples: The managers care about customers; executives like long-term debt.

Group behaviour norms: Common or pervasive ways of acting that are found in a group and that persist because group members tend to behave in ways that teach these practices (as well as their shared values) to new members, rewarding those that fit in and sanctioning those that do not. Examples: The employees are quick to respond to requests from customers; the managers often involve lower-level employees in decision making.

Visible   Easier to change

Figure 2.1 Culture in an organisation (Kotter & Heskett, 1992, p.5)

2.3.2 Schein's Three Level Model

As illustrated in figure 2.2, Schein (1985, 2004) defines culture on three levels. The term level refers to the degree to which the cultural phenomenon is visible to the observer. These levels range from the very tangible overt manifestations that one can see and feel to the deeply embedded, unconscious, basic assumptions. In between these two layers are various espoused beliefs, values, norms and rules of behaviour.

- **Artifacts**

Artifacts include everything that one sees, hears, and feels when one encounters a new group with an unfamiliar culture. According to Schein (1985; 2004) it includes the visible product of the group, such as the architecture of its physical environment; its language; its technology and products; its artistic creations; its style, as embodied in

clothing, manner of address, emotional displays, and myths and stories told about the organisation; its published list of values; its observable rituals and ceremonies.

Artifacts are easy to observe but very difficult to decipher. Schein (1985; 2004) indicates that it is dangerous to try and infer the deeper assumptions from artifacts alone, as these assumptions will inevitably be projections of one's own feelings and reactions.

Artifacts
- Technology
- Art
- Visible and audible behaviour

Visible organisational structures and processes (hard to decipher)

Espoused beliefs and values
- Testable in the physical environment
- Testable through sociable consensus

Strategies, goals, philosophies (espoused justifications)

Underlying assumptions
- Relationship to environment
- Nature of reality, time and space
- Nature of human nature
- Nature of human relationship

Unconscious, taken-for-granted beliefs, perceptions, thoughts and feelings (ultimate source of values and action)

Figure 2.2 Levels of culture (Schein, 1985, p14; 2004, p.26)

- **Espoused Beliefs and Values**

When a group is first created or when it faces a new task, issue or problem, the first solution proposed to deal with it reflects some individual's own assumptions about what is right or wrong, or what will work or not work. It is only when the group has taken some joint action and together observed the outcome of that action that they have shared knowledge.

According to Schein (2004) beliefs and values at this conscious level will predict much of the behaviour that can be observed at the artifacts level. But if those beliefs and values are not based on prior learning, they reflect what people will say in a variety of situations but this may be out of line with what they will actually do in situations in which those beliefs and values should in fact be operating.

- **Underlying Assumptions**

Culture as a set of basic assumptions defines for us what to pay attention to, what things mean, how to react emotionally to what is going on, and what actions to take in various kinds of situations (Schein, 2004). Once we have developed an integrated set of assumptions we will be maximally comfortable with others who share the same set of assumptions and very uncomfortable and vulnerable in situations where different assumptions operate. Basic assumptions tend to be nonconfrontable and nondebatable, and are therefore extremely difficult to change.

2.3.3 Denison's Model of Culture and Effectiveness

In the model of Denison (1990) the interrelatedness between performance and effectiveness on an organisation's culture is illustrated (figure 2.3).

The following areas are covered in the model:

Involvement – high levels of participation create a sense of ownership and responsibility, which leads to greater commitment to the organisation.

Consistency – organisations with high consistent cultures have highly committed employees, key central values, a distinctive method of doing business, a tendency to

promote from within and a clear set of do's and don'ts. These characteristics help create a strong culture that is well understood by the members of the organisation.
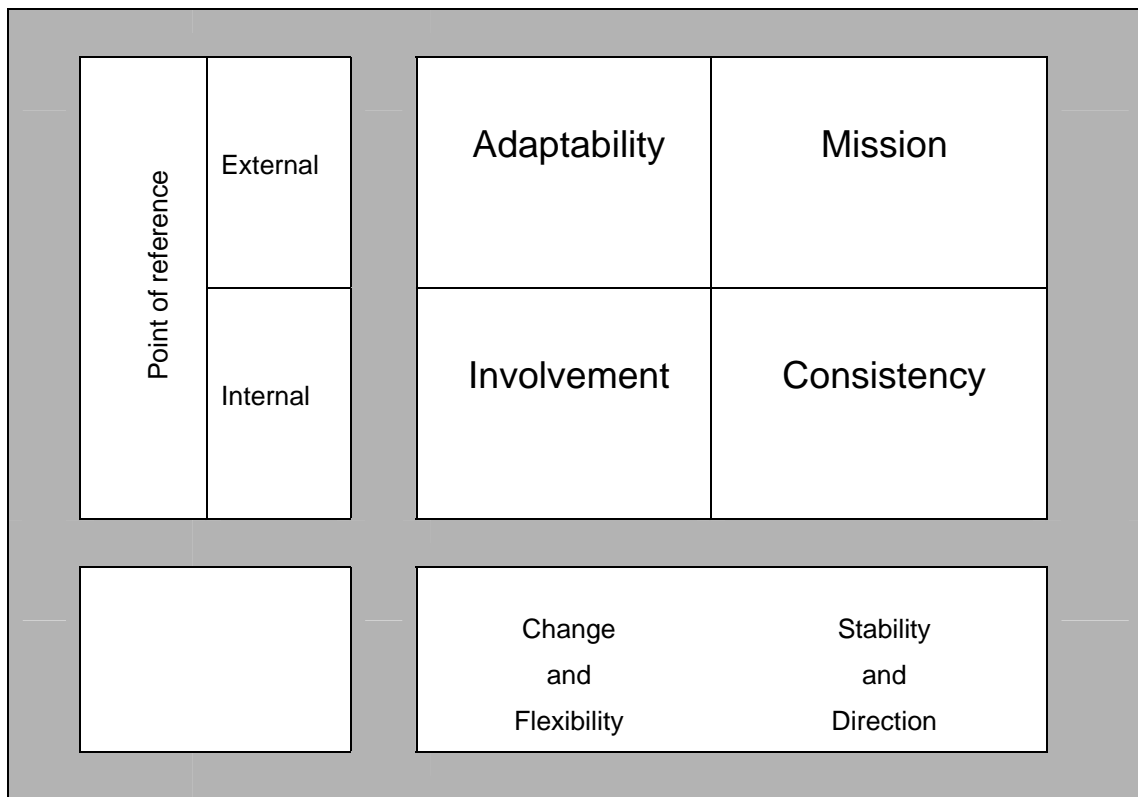
Figure 2.3 The culture and effectiveness model (Denison, 1990, p.15)

Adaptability – The following two aspects of adaptability are likely to have impact on organisational effectiveness:

1. ability to perceive and respond to the external environment; and
2. ability to respond to the internal customer.

Reacting to either internal /external customer requires the capacity to change and adapt a set of behaviours and processes that allow the organisation to adapt.

Mission - A mission provides purpose and meaning as well as clear direction and goals that serve to define the appropriate course of action for the organisation and its members.

Involvement and consistency primarily address the internal dynamics of an organisation, but do not address the interaction of the organisation with the external

environment. Adaptability and mission, on the other hand, focus on the relationship between the organisation and its external environment. Thus on the dimension of external versus internal point of reference, there are the internal focus as well as the external focus.

This model can also be looked at from the perspective of change and flexibility as well as stability and direction. Involvement and adaptability emphasise the organisation's capacity for flexibility and change. Consistency and mission, on the other hand, are oriented toward stability and direction.

It is also important to note that some of the concepts in this model seem in part contradictory (Denison, 1990). A rigid, highly consistent system may be the exact opposite of a high involvement or high flexibility system. This framework advocates that an effective culture must provide all of the elements, in other words a culture that is adaptive, yet highly consistent, or responsive to individual involvement, but within the context of a strong shared mission.

2.3.4 Goffee's Double S Model

According to the Double S cube model of Goffee and Jones (1998), as illustrated in figure 2.4, there are four types of cultures. There appear to be a life cycle to the four cultures, with organisations often starting out as communal cultures. As the organisation grows they often move into the networked culture and can then be pushed into the networked culture, as they have to deal with competitive assaults. As a result the organisation might have to restructure or get rid of some people. Eventually some sense of sociability returns, moving the organisation into the networked quadrant or over again to the communal quadrant. According to Goffee and Jones (1998) not all organisations go through the same cycle and most organisations also contain several cultures at once.
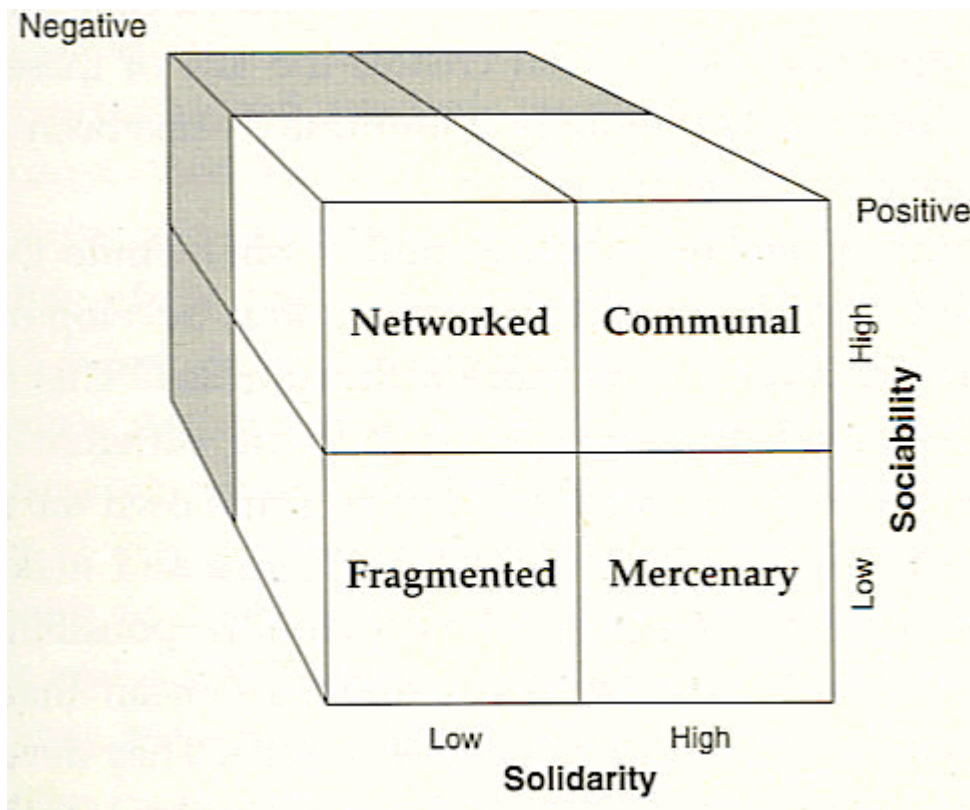
Figure 2.4 Double S Cube (Goffee & Jones, 1998, p.21)

Networked culture – in this type of culture there are high levels of sociability and relatively low solidarity. This can be described as a culture of friendship and kindness where people like and care about each other. Members display high levels of empathy, they are relaxed, informal and helpful.

Mercenary culture – in a mercenary culture relatively high solidarity and low sociability can be found. The mercenary culture is ruthless and restless.

Fragmented culture – this type of culture is characterised by low sociability and low solidarity. People are not particularly friendly with one another, nor do they particularly support the institution or its goals. In the positive form it can be personally fulfilling and a source of competitive advantage but the negative can be the most hazardous of the eight cultures.

The communal culture – in this type of culture there are high levels of both sociability and solidarity, which can make organisations very effective. This culture is characterised by a meaningful interest in process and a strong concern for results.

The Double S Cube model of organisational culture advocates that there is no one good or bad culture. The culture of a particular organisation is as good as it fits with the environment in which the organisation operates.

After the review of some of the models of organisational culture it is clear that understanding this concept is a complex issue and that more than one model can be used to explain organisational culture. Many of these models focus on different levels of culture, ranging from observable and easy to change to not easily observable and harder to change, while some models also focus on different aspects of organisational culture (e.g. effectiveness and performance). In the next section the different dimensions of organisational culture will be explored further in order to know where to focus our attention when organisational culture needs to be improved or changed.

2.4   DIMENSIONS OF ORGANISATIONAL CULTURE

In the literature many authors have identified different dimensions of organisational culture. As such Schein (1983) has identified five dimensions that can help identify the deeper facets of organisational culture. Martins and Martins (2003) identified seven characteristics to capture the essence of an organisation's culture. Appraising the organisation on these seven characteristics gives an overall picture of the culture of the organisation in terms of how things are done and the way members are supposed to behave.

Goffee and Jones (1998) identified two dimensions in their Double S model that are important to understanding the culture of an organisation, namely sociability and solidarity. According to Simpson and Cacioppe (2001) some of the dimensions of culture include teamwork, control of money and decisions, risk, rewards, conflict, honesty, profit versus people and change. Borgatti (as cited in Simpson & Cacioppe, 2001) identified ten specifics in terms of the shared beliefs, values and norms that define a group's culture.

The different dimensions as identified by these authors are combined and illustrated in table 2.1.

TABLE 2.1

COMPARISON OF DIMENSIONS OF ORGANISATIONAL CULTURE

Schein (1983)	Martins and Martins (2003)	Goffee and Jones (1998)	Simpson and Cacioppe (2001)	Borgatti (as cited in Simpson & Cacioppe, 2001)
1. The organisation's relationship to its environment Whether the organisation's members view the relationship as one of dominance, submission, harmonizing, finding an appropriate niche etcetera. **2. The nature of reality and truth** Defining what is real and what is not, what is a 'fact', how truth is ultimately to be determined, and whether truth is 'revealed' or 'discovered'. **3. The nature of human nature** What does it mean to be	1. **Innovation and risk-taking** The degree to which employees are encouraged to be innovative and take risks. 2. **Attention to detail** The degree to which employees are expected to exhibit precision, analysis, and attention to detail. 3. **Outcome orientation** The degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve these outcomes. 4. **People orientation** The degree to which	1. **Sociability** A measure of friendliness among members of a community. Sociability flourishes among people who share similar ideas, values, personal histories, attitudes and interests. Sociability means people relate to each other in a friendly, caring way. When sociability at the office is high, there is often not a very clear distinction between one's work and personal life. 2. **Solidarity** Relationships are based on common tasks, mutual interest and clearly understood shared goals that benefit all the	1. **Teamwork** 2. **Control of money and decisions** 3. **Risk** 4. **Rewards** 5. **Conflict** 6. **Honesty** 7. **Profit versus people and change**	1. **Cognitive schemas** Scripts and frames that mould our expectations and help us assign meaning and order to the stream of experience. 2. **Shared meanings** Common interpretations of events. 3. **Perceptions** How the world is, how things work – implicit theories of the market of management, of politics, of human nature. 4. **Prescriptions and preferences** What the best way is to do things; what they want to happen. 5. **Behavioural codes** How to dress, how to act, what

'human', and what attributes are considered intrinsic or ultimate? 4. **The nature of human activity** What is the 'right' thing for human beings to do, on the basis of the above assumptions about reality, the environment, and human nature: to be active, passive, self-developmental, fatalistic, or what? 5. **The nature of human relationships** What is considered to be the 'rght' way for people to relate to each other?	management decisions take into consideration the effect of outcomes on people within the organisation. 5. **Team orientation** The degree to which work activities are organised around teams rather than individuals. 6. **Aggressiveness** The degree to which people are aggressive and competitive rather than easy-going. 7. **Stability** The degree to which organisational activities emphasise maintaining the status quo in contrast to growth.	involved parties – whether they personally like each other or not.		kinds of things you can joke about, is it all right to be late? 6. **Basic values** What is really important; what is wrong or bad? 7. **Myths and legends** Stories about the past; knowledge of the stories identifies you as belonging, and often the stories have hidden points like this is what happens to people who… 8. **Heroes and heroines** 9. **Emblems** Objects that have meaning, like group T-shirts, gold watches. 10. **Rituals**

From the comparison it is evident that there are no consensus on an exact list of dimensions of organisational culture, but some overlap between these authors' work could however be established in terms of relationships, importance of human resources, outcomes and rewards, decision-making and risk-taking. All these different dimensions are useful in terms of understanding and identifying an organisation's culture but according to Deal and Kennedy (1982) organisations are too complex to precisely fit in only one category or dimension.

2.5   FORMING AND DEVELOPING OF ORGANISATIONAL CULTURE

The process of culture formation, according to Schein (2004), can be related to the process of group formation as the group identity results in shared assumptions that can be called the culture of that group. Schein (2004) further argues that culture develops from three sources, namely the beliefs, values and assumptions of the founders of the organisation; the learning experiences of the group members as the organisation develops and lastly the new beliefs, values and assumptions that develop as new group members and leaders are brought into the organisation.

The maturing process of organisations can be divided into three stages (Schein, 1992; 2004), namely (1) the founding and development stage, (2) organisational midlife, and (3) organisational maturity and decline. According to Schein (1992; 2004) the founding stage is the period of founder or family ownership while midlife organisations are publicly owned and has had at least two generations of general managers. Organisational maturity and decline is defined more by the interaction of the organisation with its environment than by its internal dynamics alone. A mature organisation can remain successful for a long period as long as it can adapt quickly to environmental demands. As the organisation develops through these stages the culture of that organisation also develops as the individual employees learn how to solve its problems and thus shared ways of doing things emerge (Ahmed, 1998; Brown, 1998; Schein, 2004).

The founder of the organisation thus plays an important part in the forming of the culture as this person usually decides the mission of the organisation, the specific environment that the organisation will operate in as well as who the initial group

members for this new organisation are. It is therefore inevitable that the beliefs, values and assumptions of this individual (the founder) are the starting points of the forming of the organisation's culture.

As discussed in the previous section most large organisations have a dominant culture and also numerous subcultures (e.g. departments or divisions) (Alvesson, 1993; Bagraim, 2001; Cooke & Rosseau, 1988; Kilmann et al., 1985; Kotter & Heskett, 1992; Lok & Crawford, 2001; Martins & Martins, 2003; Ott, 1989; Schein, 1992; Williams, 2002).   Trice and Beyer (1993) describes the way in which subcultures develop as follows:

- Differential interaction – the extent to which individuals associate with each other influences their likelihood of forming a subculture.
- Shared experiences – culture is developed over time in response to shared experiences, which leads to agreed values and modes of behaviour, and also fosters a similar outlook on the world.
- Similar personal characteristics – in situations where people with similar characteristics (such as age, education and ethnicity) share the same social space, they are likely to form subcultures.
- Cohesion – features of groups such as perceived performance success, physical isolation from other groups and the experience of a crisis or threat can all lead to group cohesion.

Although the existence of subcultures according to Lok & Crawford (2001) can be regarded as a normal occurrence in organisations, Brown (1998) indicated that successful organisations tend to be those that have found ways of breaking down the barriers between subcultures and enforcing coordination and control.

The diversity that is associated with subcultures in any organisation creates the problem of integration and coordination, as different organisational members with sometimes very different points of view have to be aligned with the bigger organisation (Schein, 1992). Smith and Kleiner (as cited in Jacobs, 2003) describe the following implications if subcultures within the dominant culture of the organisation are ignored:

- A weak culture may develop that does not contribute towards organisational effectiveness.

- A strong culture may develop due to the nature of the industry and the evolution of the organisation – and may not necessarily be in line with the management goals.

- Different cultures can develop with conflicting interests that can lead to internal differences.

It is evident that the forming and developing of organisational culture starts with an individual in the role of the founder of the organisation. This person or persons have a direct influence on the resulting organisational culture as organisational culture develops over a period of time, with the organisation moving though different stages of development. Organisational culture thus starts with the values, beliefs and assumptions of an individual (the founder of the organisation) that then develop into the shared values, beliefs and assumptions of the group.

2.6   CHAPTER SUMMARY

The aim was to conceptualise organisational culture firstly by defining organisational culture as well as subcultures. Next some of the models of organisational culture were discussed followed by the dimensions of organisational culture. The importance of organisational culture was then discussed distinguishing between culture as an advantage and culture as a liability and lastly the forming and development of organisational culture was discussed.

CHAPTER 3

CHANGING ORGANISATIONAL CULTURE

The aim of this chapter is to conceptualise the changing of organisational culture. In this regard there will be firstly looked at defining change. Models for changing organisational culture will be discussed next, including a framework for changing organisational culture. The importance of change will then be discussed followed by lastly discussing the resistance to change.

3.1   DEFINING CHANGE

According to French and Bell (1999) change is everywhere and will be one of the few constants in the future. Goodstein and Burke (1991) agree stating that change in organisations today is a way of life.

Change from an Organisational development perspective can broadly be divided into large-scale or fundamental change and smaller changes or fine-tuning changes (Goodstein & Burke 2000). French and Bell (1999) similarly distinguish between transformational change and transactional change when they describe the Burke-Litwin model for planned change.

According to Porras and Silvers (2000, p.80) 'Organisational change is typically triggered by a relevant environmental shift that, once sensed by the organisation, leads to an intentionally generated response. This intentional response is planned change and consists of four identifiable, interrelated components:
1. change intervention that alters
2. key organisational target variables that then impact
3. individual organisational members and their on-the-job behaviours resulting in changes in
4. organisational outcomes'.

Change can consist of many different facets (French & Bell, 1999), namely:
- it can be deliberate (planned) or accidental (unplanned);

- it can be large or small in magnitude;
- it can be fast (abrupt, revolutionary) or slow (evolutionary);
- the new state of things can have an entirely different nature form the old state of things (fundamental, quantum, or 'second-order' change) or the new state of things can have the same nature with some modifications (incremental, 'first-order' change).

Most change processes emphasise the need for behaviour change as transformational change implies that a person or group of people need to unlearn something on the one hand as well as learn something new on the other hand (Schein, 2004). According to Thompson and Luthans (1990) culture can only be changed through changing behaviour and attitudes of the individuals involved. This involves the learning of new sets of appropriate behaviours and also changing the consequences so that the new behaviours are reinforced while undesired behaviours have less positive consequences.

For the purpose of this study change will be defined as the process whereby the behaviour of individuals in an organisation is altered in order to adapt to a need or demand from the environment. These changes can be large (transformational) or small (transactional) in nature.

3.2 IMPORTANCE OF CHANGE

Change has always been part of organisations, but in the recent past the pace of change has increased dramatically. These changes can be attributed to increased information technology, growth in knowledge, globalisation and the liberalisation of society (Davis, 1995; Maree & Ebersöhn, 2002). The changes in organisations according to Schreuder and Theron (2001), are in terms of structure, labour composition, reward systems, service contracts, technology and information. Mergers, acquisitions, downsizing and restructurings are currently a world wide trend and may enhance innovation and progress but at the same time such changes can cause havoc to the management of people in the workplace (Baruch, 1999, 2003). According to Zaccaro and Banks (2004) organisations today have to continuously adapt to the demands of greater turbulence, volatility and complexity and as a result

managers at all organisational levels must be innovative and creative in developing solutions.

All these changes are putting considerable pressure on organisations to find ways to be more competitive, sometimes even internationally. This competition brings with it the need for organisations to do more with less (Schreuder & Theron, 2001), respond to the increasing demands from customers (Causon, 2004) or as Furnham (2000, p.243) puts it, 'a need for greater speed of reaction and closer focus on its core business'. Zaccaro and Banks (2004) agree with this and state that to enhance competitive advantage, managers and leaders need to promote greater strategic flexibility across and within their organisations.

Another reason why change in the organisational setting has become important is the fact that today's organisations, and even more so the organisations of the future, differ greatly from the 'old' bureaucratic, hierarchical organisation (Schreuder & Theron, 2001). The 'new' organisation focuses on self-directed work teams, flatter organisational structures, larger spans of reporting, the 'learning organisation' concept, employee participation and empowerment (Schreuder & Theron, 2001).

South Africa specifically also faces quite a few challenges that stress the importance of change and the necessity of organisations to adapt to these situations. Firstly the labour market faces quite a few challenges, mostly due to the history of the country in terms of the apartheid era. There has been a major change in the composition of the workforce since the 1994 democratic election (Schreuder & theron, 2001). The workforce is now more representative of all races and also comprises of more women. This is mainly as a result of affirmative action. The implementation of legislation such as the Employment Equity Act (No.55 of 1998) will further impact the workforce of the future. This Act states that a person may be suitably qualified for a job as a result of any one of, or a combination of that person's formal qualifications, prior learning, relevant experience or capacity to acquire, within a reasonable time, the ability to do the job.

Unemployment and HIV/AIDS are further challenges in the South African context. The unemployment rate, according to Maree and Ebersöhn (2002), was 37.6% in 1997 and is probably fuelled by among other factors, a population that had a mean

of 6.9 years of schooling in 1991 (Stead & Watson, 1998). The Centre for the Study of AIDS (as cited in Maree & Ebersöhn, 2002) forecasted that in 2005 at least six million South Africans were expected to be HIV-positive and 2.5 million people will have died of AIDS or a related illness. This is already impacting the workforce and will do so even more in the future as productivity declines.

In summary change is important in the organisational setting firstly because organisations are changing from the so called 'old' organisations to the new world of work organisations and the associated demands from the workforce. Secondly organisations have to continuously change in order to stay competitive in an ever changing environment with high demands on fast response rates as well as the increasing demands from customers. Lastly the importance of change was evident from a South African perspective and specifically to deal with the challenges in terms of our labour market, namely the change in composition of the workforce and also other challenges such as unemployment and HIV/AIDS.

3.3 MODELS FOR CHANGING ORGANISATIONAL CULTURE

Different models of change will now be discussed to examine any similarities in terms of approach and to attempt to formulate a framework for organisational change.

3.3.1 Porras and Silver's Model for Planned Change

According to the model for planned change (Porras & Silvers, 2000), as illustrated in figure 3.1, the interrelated components of planned change are the change interventions that alter key organisational target variables that then impact individual organisational members and their behaviours and then result in change in organisational outcomes. The four components will now be discussed briefly (Porras & Silvers, 2000).

- **Change Interventions**

Planned change interventions can broadly be divided into Organisation Development (OD), the more traditional approach, and Organisation Transformation

(OT). OD was until recently synonymous with the term planned change and concentrates on work-setting changes that produce not radical change in individual employees' cognitions as well as behaviours. OT on the other hand, also called second-generation OD, is also planned and primarily directed at creating a new vision for the organisation, creating a learning organisation that is constantly changing in order to better fit the organisation's current state and to better anticipate desired futures (Porras & Silvers, 2000).

- **Organisational Target Variables**

Planned change interventions impact two major types of organisational variables: organisational vision and the work setting that together create the internal organisational environment in which individual employees function (Porras & Silvers, 2000).

- **Individual Organisational Members**

Individual organisational members must change their on-the-job behaviours in order for the organisation to change over a longer term. According to this model (Porras & Silvers, 2000) organisational behaviours are generated by individuals behaving in response to the signals received from the internal organisational environment, namely their work setting and organisational vision. Successful planned change efforts must therefore alter these two components in such a way that new signals influence individuals to produce new behaviours.

- **Organisational Outcomes**

According to the model of planned change (Porras & Silvers, 2000), there are two kinds of organisational outcomes, namely organisational performance and individual development. Organisational performance is measured by factors such as productivity, profitability, efficiency, effectiveness, quality while individual development is described as 'an actualization of the self that occurs as individuals alter their world views, expand their repertoire of behaviours, and/or improve their skills and abilities' (Porras & Silvers, 2000, p.84).
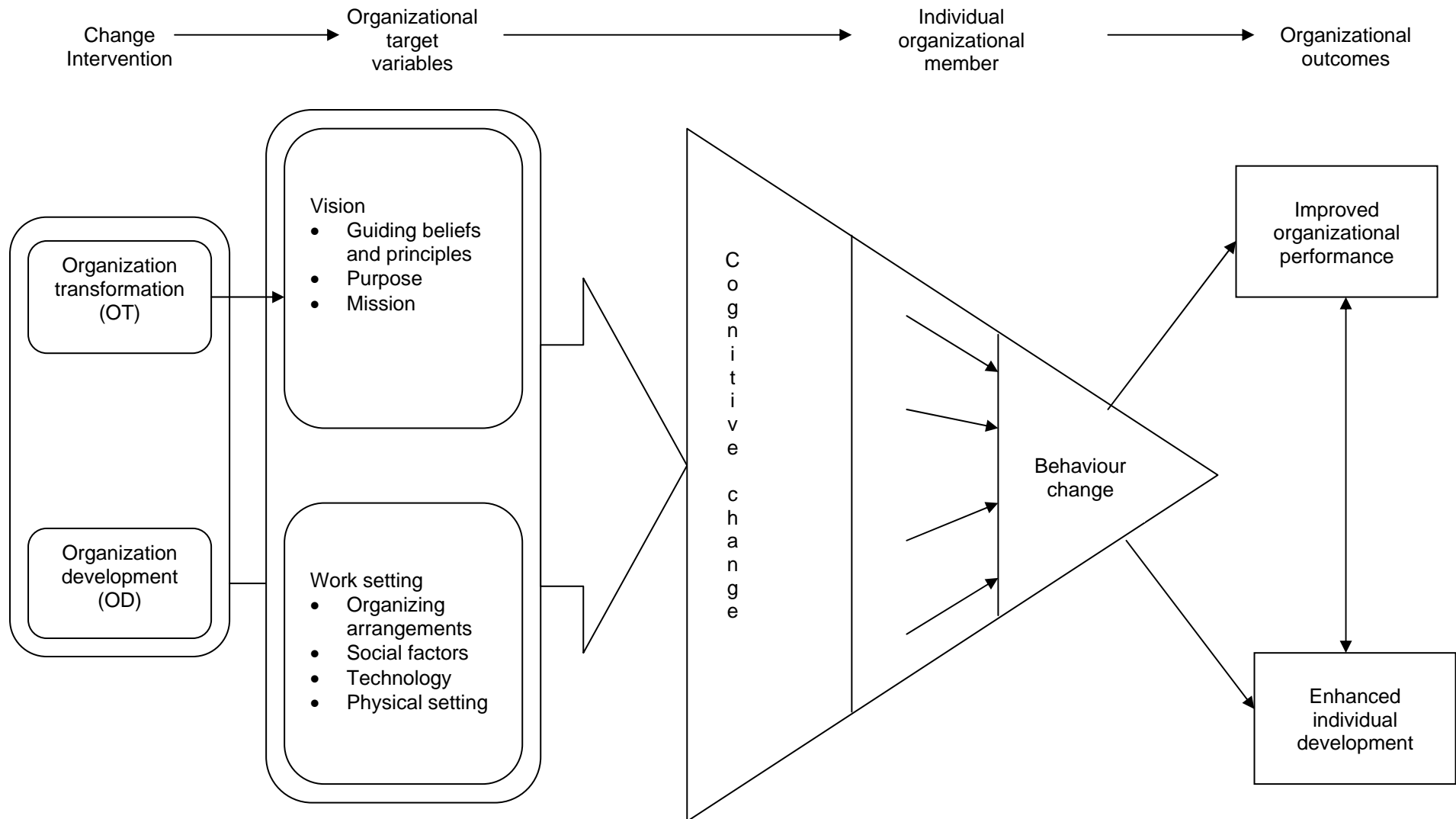
Figure 3.1 Adapted Model for planned change (Porras & Silvers, 2000, p.81)

3.3.2 Brown and Harvey's Change Model

According to this model (Brown & Harvey, 2006) there are two major considerations in making changes in an organisation, namely the degree of change and the impact on the culture. The degree of change and the impact on the existing culture is illustrated in figure 3.2.

According to Brown and Harvey (2006) change is difficult to accomplish and resistance can be expected whenever a change involves a significant impact on the traditional behaviour, power, culture, and structure within an organisation. The four areas of the model will now be discussed briefly.

Minor change, minor impact on culture - where the change to be introduced is relatively minor and the impact on the existing culture is small, there will predictably occur the lowest level of resistance and the highest probability of successful change.

Minor change, major impact on culture - where the change is minor but the impact on the culture is high, some resistance can be expected, depending on the size of the threat as well as the speed of the change.

Major change, minor impact on culture - where the change is major, but the impact on the existing culture is minor, some resistance is likely but will be possible to be overcome by means of good management.

Major change, major impact on culture - when the degree of change is large and the impact on the existing culture is high, the greatest resistance can be predicted. In this situation, the probability of success is low.

```
                    Major
                      ↑
                      |
                      |        2                    4
                      |
                      |      SOME            HIGH RESISTANCE
                      |    RESISTANCE          Low Chance of
 Impact               |  Moderate Chance of       Success
   on                 |      Success
 Culture              |
                      |
                      |        1                    3
                      |
                      |   LOW RESISTANCE        SOME
                      |    High Chance of      RESISTANCE
                      |      Success        Moderate to High
                    Minor                   Chance of Success
                      ↓
              Minor ←————————————————→ Major
                        Degree of Change

        The larger the area, the greater the resistance
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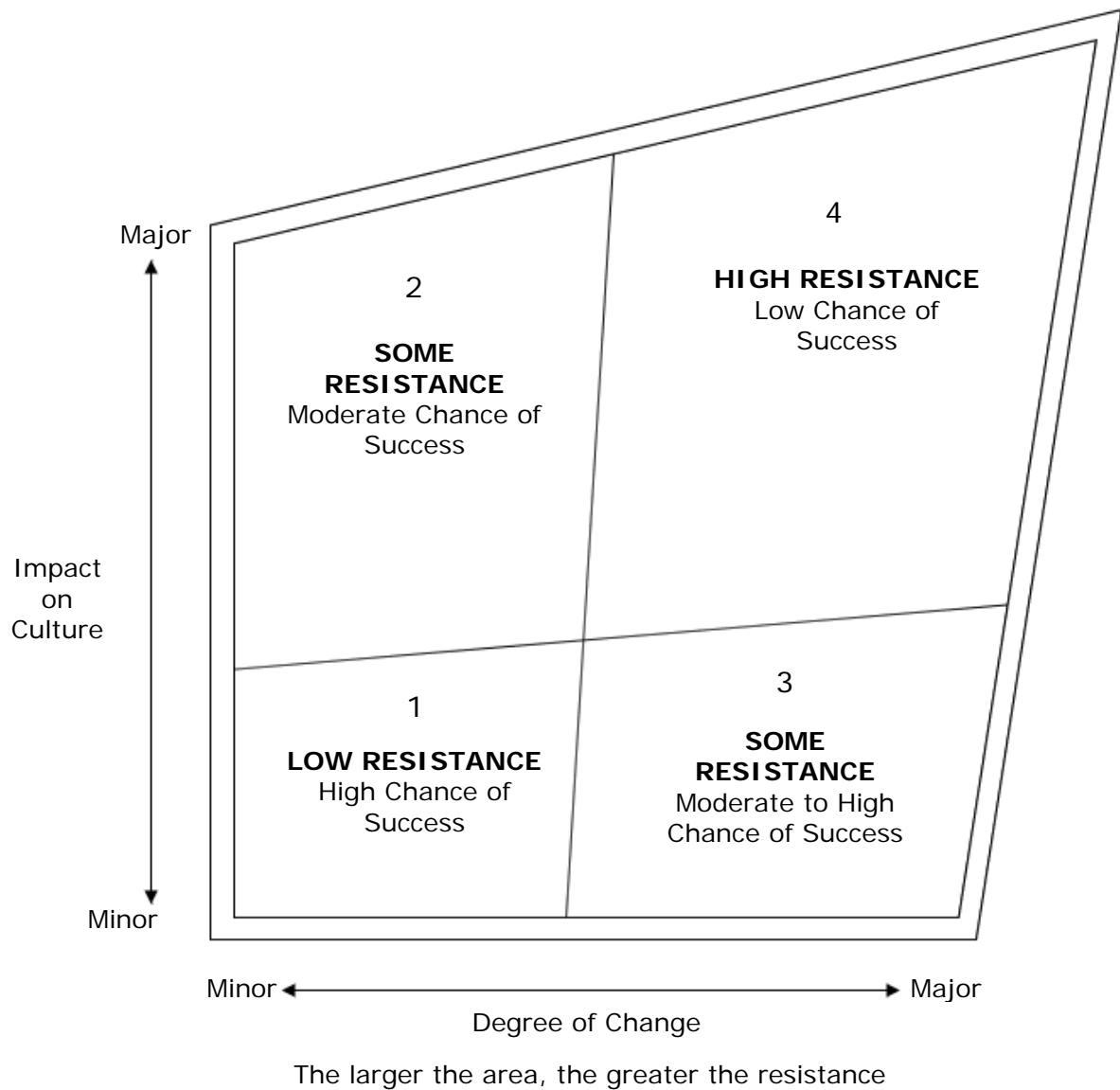
Figure 3.2 The change model (Brown & Harvey, 2006, p.160)

3.3.3 Kurt Lewin's Model

Kurt Lewin conceptualised change as a three-phase model, namely unfreezing the old behaviour, moving to a new level of behaviour, and then refreezing the behaviour at the desired new level (French & Bell, 1999). According to this model (Schein, 2004) the three phases of change are unfreezing/disconfirmation, cognitive restructuring and refreezing.

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- **Unfreezing / disconfirmation**

Transformational change implies that the person or group that is the target of change must unlearn something as well as learn something new. To get people to change it is necessary to create enough disequilibrium to force a coping process and thus a motivation to change (Schein, 2004).

- **Cognitive restructuring**

Once an organisation has been unfrozen, the change process proceeds by either new learning or imitation of role models. In either case, the essence of the new learning (Schein, 2004) is usually some cognitive redefinition of some of the core concepts in the assumptions set.

- **Refreezing**

During the refreezing process the new behaviours are reinforced. New beliefs and values gradually stabilise, become internalised and eventually become taken for granted. Once new disconfirmations start again the whole change process start all over again (Schein, 2004).

3.3.4 Lundberg's Model

Lundberg (Brown,1998) formulated a model for understanding culture change in organisations.   In this model organisational change begins by some kind of organisational predicament that prompts inquiry and thereby leads to the discovery of previously unknown phenomena. These previously unknown phenomena thus enable cultural change (illustrated in figure 3.3).
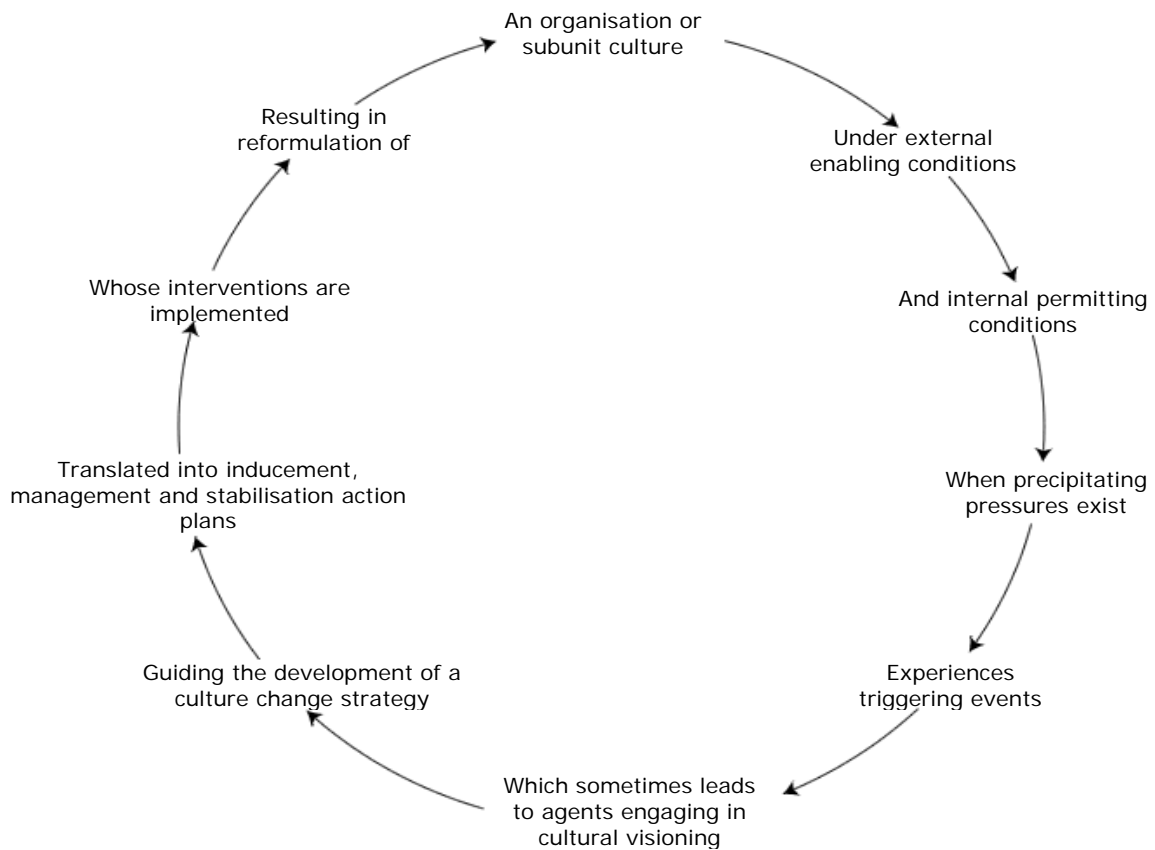
Figure 3.3 Lundberg's model of organisational change (Brown, 1998, p.119)

3.3.5 Dyer's Cycle of Cultural Evolution

Dyer (as cited in Brown, 1998) formulated a framework for cultural change that is specifically aimed at transformational change rather than incremental change. According to Dyer's (1985) model organisational change can be illustrated as six steps (shown in figure 3.4) namely:

1. The leadership's ability and current practices of the organisation are called into question.

2. The perception of a crisis then leads to a breakdown of pattern-maintenance symbols, beliefs or structures.

3. Emergence of a new set of artifacts, values and assumptions – this can typically be provided by a new leader.

4. Period of conflict between supporters of the old and the proponents of the new cultures develop.

5. New leaders must overcome the conflicts caused by their way of doing.

6. The new leadership begins to create new pattern-maintenance symbols, beliefs and structures.

1. If a perceived crisis calls into question the leadership's abilities and practices;

2. and this is accompanied by a breakdown of pattern-maintenance symbols, beliefs or structures; and

3. if new leadership emerges with a new set of assumptions to resolve the crisis;

Prevailing Cultural Pattern

6. the culture of the new leadership is sustained with the introduction of new power-maintenance symbols, beliefs and structures.

5. If the crisis is resolved and new leaders are given credit for resolving it, they become established as the new cultural elite;

4. then there will be conflict between the proponents of the old and new leadership.

Figure 3.4 The cycle of cultural evolution in organisations (Brown, 1998, p.124)

3.3.6 Schein's Life Cycle Model

As discussed in a previous section organisations pass through different phases as they develop and mature (Schein, 1992, 2004). Schein (2004) developed a life-cycle model of organisational culture change, according to which organisations pass through distinct phases of development. Each of the phases is associated with a different sort of culture, with different sorts of functions and which are susceptible to change in different ways. The phases (as illustrated in figure 3.5) are birth and early growth, organisational midlife and organisational maturity.

- **Birth and early growth**

This phase of the model may last anything from a few years to a few decades. During this phase organisational culture fosters cohesion while the organisation develops. Culture change during the birth and early growth phase may occur by means of four mechanisms, namely natural evolution, self-guided evolution through organisational therapy, managed evolution through hybrids and managed 'revolution' through outsiders.

- **Organisational midlife**

This phase refers to the time when the organisation is well established and faced by strategic choices concerning growth, diversification and acquisitions. By this stage the culture of the organisation is formed and embedded in the routines and structures and subcultures may also have developed. Culture change during this phase may occur by means of four mechanisms, namely planned change and organisational development, technological seduction, change through scandal, explosion of myths and incrementalism.

- **Organisational maturity**

This phase of the model refers to a time when an organisation is highly stable, exploiting mature markets and usually lacks the motivation to change. The culture of the organisation may become dysfunctional during this phase due to the demands from the environment to be flexible and adaptable on the one hand but having employees that may be unwilling to change. There are two choices that organisations during this phase have in order to stay competitive, namely turnaround (large scale change) and total reorganisation (such as merging with another organisation or destruction of the group). The change mechanism applicable to this phase of Schein's (2004) model is coercive persuasion, turnaround and reorganisation, destruction and rebirth.

Growth stage	Function of culture	Mechanism of change
I. Birth and early growth • Founder domination, possibly family domination	• Culture is a distinctive competence and source of identity • Culture is the 'glue' that holds organisation together • Organisation strives towards more integration and clarity • Heavy emphasis on socialisation as evidence of commitment • Culture becomes battleground between conservatives and liberals • Potential successors are judged on whether they will preserve or change cultural elements	1. Natural evolution 2. Self-guided evolution through therapy 3. Managed evolution through hybrids 4. Managed 'revolution' through outsiders

II. Organisational midlife
 	
   • New-product development
   • Verttical integration
   • Geographic expansion
   • Acquisitions, mergers
	• Cultural integration declines as new subcultures are spawned
	• Crisis of identity, loss of key goals, values and assumptions
	• Opportunity to manage direction of cultural change
		5. Planned change and organisational development
		
		6. Technological seduction
		7. Change through scandal, explosion of myth
		8. Incrementalism

III. Organisational maturity
 	
   • Maturity of markets
   • Internal stability or stagnation
   • Lack of motivation to change
 	
Destruction option:
• Bankruptcy and reorganisation
• Takeover and reorganisation
• Merger and assimilation
	• Culture becomes a constraint on innovation
	• Culture preserves the glories of the past, hence is valued as a source of self-esteem, defence
	
	• Culture change necessary and inevitable, but not all elements of culture can or must change
	• Essential elements of culture must be identified, preserved
	• Culture change can be managed or simply be allowed to evolve
	
	• Culture changes at basic levels
	• Culture changes through massive replacement of key people
		9. Coercive persuasion
		10. Turnaround
		11. Reorganisation, destruction and rebirth

Figure 3.5 Growth stages, functions of culture and mechanisms of change (Schein, 2004, p.292)

3.3.7 Burke-Litwin Model of Organisational Change

The Burke-Litwin model of organisational change (French & Bell, 1999) that was developed by Warner-Burke and George Litwin, makes a distinction between transactional and transformational change. In transactional change (first-order change) the fundamental nature of the organisation stays the same while just some features of the organisation change. In transformational change (second-order change) the nature of the organisation is fundamentally altered or transformed. The Burke-Litwin model is illustrated in figure 3.6.

During transactional change, according to this model, changes in structures, management practices and systems will cause changes in work unit climate, which changes motivation and in turn also individual and organisational performance. During transformational change, on the other hand, change must be made to the mission and strategy, leadership styles and organisational culture, and ultimately in individual and organisational performance.
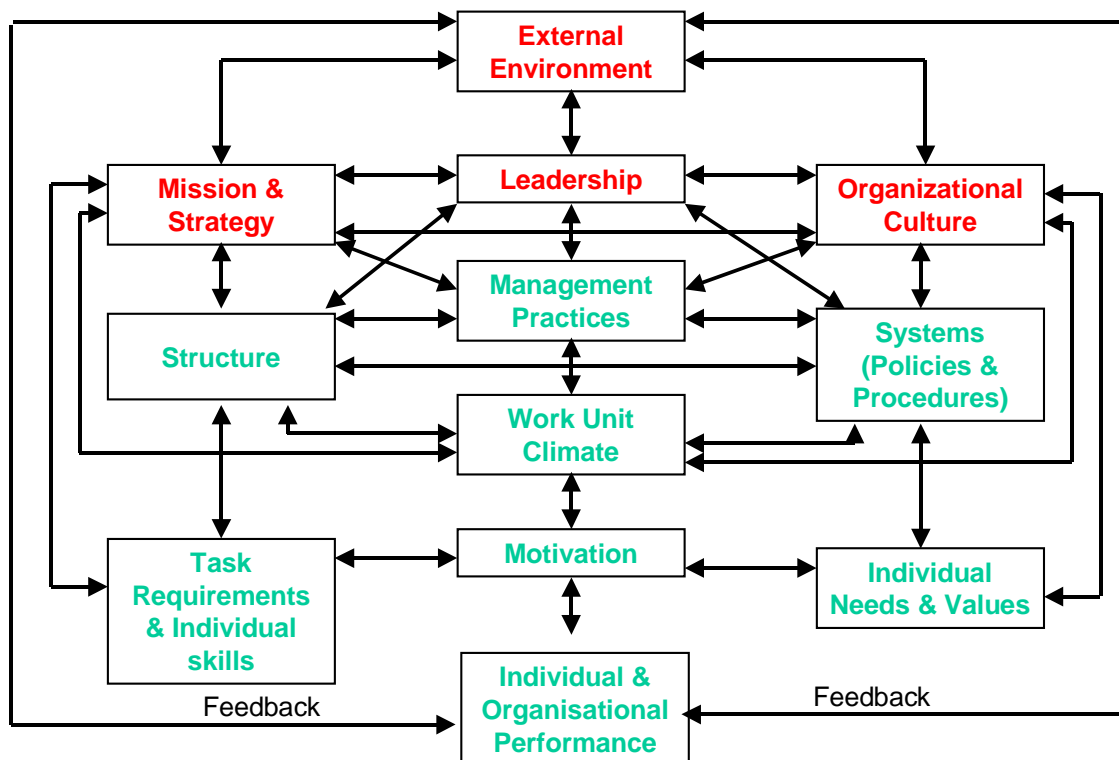
Figure 3.6 Burke-Litwin model of organisational change (French & Bell, 1999, p.79)

3.3.8 The Organisational Revitalization Model of Phelan

Phelan (2005) combined different models and summarises the procedure for change as occurring through the following stages:

- A perceived crisis induces increased stress and a sense of urgency.
- Conventional cultural norms no longer apply, leading to increased stress among individuals.
- The increased anxiety leads to unsanctioned or aberrant behaviour becoming commonplace.
- A new charismatic leader communicates a plan for new behaviour.
- The leader inspires believers in the plan and organizes followers to promote it.
- The plan has initial success, which inspires more people to adopt it.
- The followers consolidate and refine the plan to cope with inconsistencies and opposition from traditionalists.
- The new behaviour becomes institutionalised as cultural norms.

From the review of the models of organisational change it is evident that there are quite a few similarities between the models. In most of the models reference is made to the fact that change is usually planned and is linked to some kind of crisis or inquiry whereby previously unknown phenomena can be discovered that need to be addressed. Different change interventions can then be introduced (linked to the specific crises or phenomena that need to be addressed) which ultimately impact the organisational members in terms of behaviour change. It is also important to note that there are other factors impacting these changes, for instance the maturity phase of the organisation as well as resistance from the organisational members in terms of the needed behaviour change.

3.3.9 Framework for Successful Organisational Culture Change

Thornbury (2003) states that one of the biggest challenges of an organisational leader is possibly to bring about significant change in organisational culture. As many change programs are usually long-term efforts with tangible benefits only

becoming clear after a long time (Thornbury, 2003), it is important that there must be a clear business case for the change needed. There are different views to whether organisational culture change is possible. Alvesson (1989) is of the opinion that organisational culture can be influenced to a limited extent and then with difficulty. According to Brown (1998) culture change (in its broadest sense) is a feature of organisational life. Small-scale changes happen on a daily basis, for example when people leave the organisation, new employees join, new systems and procedures are introduced. Organisational culture change on a larger scale is however difficult (Brown, 1998) as most employees in an organisation have a high emotional stake in the current culture that may lead to resistance to change.

Organisational change from an Organisational Development perspective can be described as a long-term planned effort aimed at improving the organisation's ability to survive (Brown & Harvey, 2006). It is therefore important to consider a framework consisting of different phases in the culture change process.

There are many frameworks for changing an organisation's culture in the literature (Alvesson, 1989; Brown, 1998; Miller, 1998; Phelan, 2005; Schein, 1990). According to Alvesson (1989) and Patterson (as cited in Brown, 1998) almost all approaches to cultural change begin by explicitly asking:
1. What should the organisational culture look like to support the strategy?
2. What does the current organisational culture look like?
3. What are the gaps between this and the culture needed? and
4. What plan of action should be followed to close the gaps?

Thornbury (2003) identified three very similar steps (or phases) to bring about culture change, as illustrated in figure 3.7, namely,
1.   fully understanding the organisation's existing culture;
2.   setting parameters for the culture to which the organisation wishes to move; and
3.   process of ongoing organisational development that supports the 'new' culture and makes it a reality

PHASE 1	PHASE 2	PHASE 3
Work out where you are now	Define where you need to be	Do what you need to do to get there

• Identify existing values and behaviour patterns

• Define the desired culture

• Implement organisational and behavioural change to bring about the desired culture into being
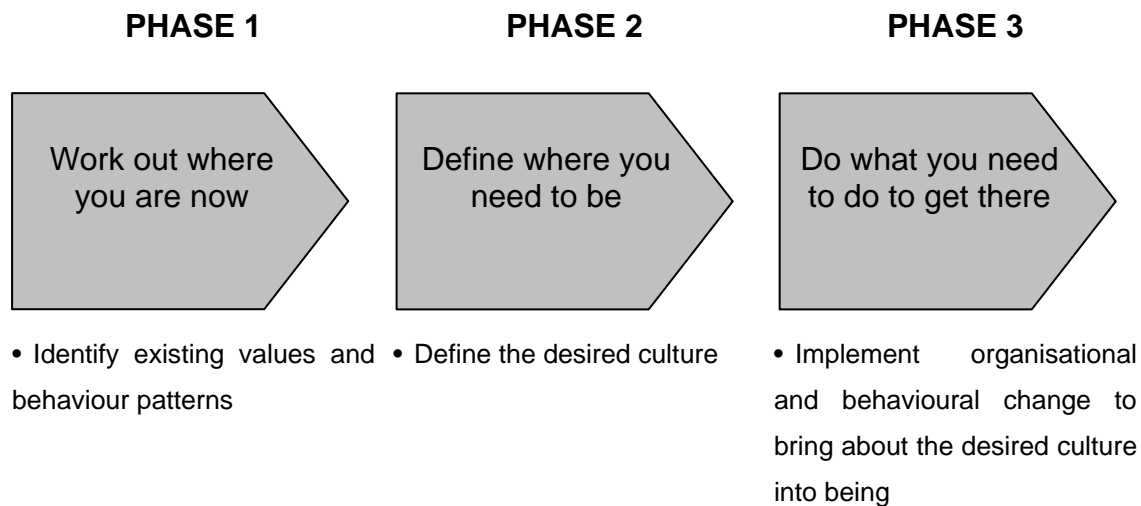
Figure 3.7 Phases of cultural change (Thornbury, 2003, p.73)

Although the basic framework (or 'what' to do in terms of steps) for organisational change seems quite simple and straightforward, the key question according to Brown (1998) is the 'how' to do it or the approach. Thornbury (2003) agrees and suggests that the following should be considered:

• Who will be involved and how - the stakeholders need to be identified and engaged in such a way to get their commitment towards the change.

• The overall style in which the program is conducted – an in-depth knowledge of the organisation and sensitivity to how people are likely to react is needed to achieve the right balance between the old way and the new way of doing.

• The vehicle used in the process – for example conferences, big events, board meetings etcetera.

• Particular strategies and tactics for addressing areas of risk and opportunity – an understanding of the existing culture is essential and lessons learned from previous successful or failed initiatives.

In any organisational culture change effort the leaders of the organisation play a crucial role. Leaders unfreeze the present situation by highlighting the threat if no change is to occur and thereby provide a compelling reason for the change (Miller, 1998; Schein, 2004). Phelan (2005) proposes inducing a perceived crisis to create stress and a sense of urgency. The leaders also have to provide clear direction in terms of where the organisation is heading (Schein, 2004) by communicating a plan

for the new behaviour (Phelan, 2005). These new behaviours then need to be rewarded by the leaders as well as punishing adherence to the old behaviours. Once there are some successes, leaders can use this to inspire more people to adopt the changes (Miller, 1998; Phelan, 2005).

Simpson and Cacioppe (2001) add that some of the factors that make culture difficult to transform are the lack of trust in management and between team members, the willingness of the individuals and the team to change. Some groups are change oriented while others are stability oriented (Simpson & Cacioppe, 2001).

Kilmann et al. (1995) are of the opinion that changing organisational culture successfully depends on how deep-seated the culture is and whether multiple cultures exist. The deeper the level at which culture changes are required and the more cultures there are in the organisation, the more difficult and time consuming the culture-change process. Schein (2004) also notes that the stage at which the particular organisation is impacts how easily or difficult the culture can change.

Another important factor to take into account with changing organisational culture is communication (Miller, 1998). Effective communication is crucial in any change strategy. The rationale behind the change effort needs to be communicated clearly to the whole organisation (Miller, 1998). According to Schein (2004) the keys to successful culture change are firstly to manage the large amounts of anxiety that accompany any relearning at this level and secondly to assess whether the genetic potential for the new learning is even present.

For any culture change program to be sustainable it needs to be supported by changes in the workplace practices (Alvesson, 2002). Such workplace practices include new recruitment and selection procedures, new forms of socialisation and training programs, performance appraisal systems which reward and encourage the correct behaviour, promotion of people supporting the desired culture, leadership that supports the cultural values by means of talk, action and material arrangements and the use of organisational symbols (e.g. language and material objects such as logos and dress codes).

From the above it is evident that although it may be difficult to change an organisation's culture it is possible when important factors such as leadership, communication, workplace practices, trust in management and between teams as well as the existence of subcultures are taken into account.

3.4 RESISTANCE TO CHANGE

The need for organisations to change in order to stay competitive and relevant in today's turbulent business environment has been established. This however is not as straightforward as it sounds as organisations are made up of individuals or employees who according to Brown (1998) have a high emotional stake in the current culture that may lead to resistance to change. This resistance can be identified at both the individual and organisational level.

Some of the sources of resistance from individuals are (Van Daalen & Odendal, 2001):

• Selective perception – plans for change that seem to threaten an important element of the individuals' world view are likely to be met with resistance.

• Habit – proposed changes to individuals' habits may be met with resistance, especially where they are well engrained.

• Security – the fear of the unknown can lead to people resisting a change.

• Economic – any change that may threaten an individual's basic pay, bonuses, pension or other benefit may be met with resistance.

• Status and esteem – where an individual's status or esteem is likely to be affected such a change may lead to resistance.

From an organisational perspective the very thing that we are trying to change namely the organisational culture, can be the biggest obstacle. An established culture can be a powerful block on the initiation of new cultural patterns (Brown, 1998) and therefore have to be managed.

Davis (1995) identified the following pitfalls when trying to change organisational culture:

- The non-event – this occurs when all the employees hear about the first step to change their company's culture and then hear nothing ever again.
- Lip service – it is important to ensure that the change is in deeds and not just in words alone as people are quick to pick up on this.
- Pleasing the boss – people sometimes support a change because the boss has pushed them, rather than because they are equally committed.
- Cynicism – it is important that the leaders of a change effort demonstrate the desired values and beliefs in their own decisions and behaviours to avoid cynicism on the part of employees.
- The quick hit – to change culture is a long-term exercise and is often underestimated.
- The tail wagging the dog – when you don't know where you're going any road will take you there.
- Process without product – changing culture is a process. A frequent trap is to get caught in a process without an end with words and little or no action.
- Product without process – this is where the effort to articulate the company's values focuses on producing products that appear on desks and office walls, with the beliefs spelled out for everyone to see. The danger in this is mistaking the written word for the acted-out belief.
- Blandness – this relates to when management decides to address the organisation's culture and then produce generalities that will stir no one.
- Witch-hunt – using the information from a culture measurement for a witch-hunt.

When trying to change organisational culture it is thus important to take note of the typical forces of resistance from both the individual as well as the organisational level.

3.5 CHAPTER SUMMARY

This chapter began with a discussion of the definition of change followed by examining different models of organisational culture change as well as setting up a

framework for such organisational culture change. The importance of organisational change was then discussed followed by lastly discussing the resistance to change from both the individual and the organisational level.

CHAPTER 4

FEEDBACK

The aim of this chapter is to conceptualise feedback. Firstly feedback will be defined followed by a discussion of the importance of feedback. Different feedback models will then be looked at where after the reactions to feedback will be discussed. This chapter will end by looking at the theoretical integration of organisational culture, culture change as well as feedback.

4.1. DEFINING FEEDBACK

Feedback can be defined from the perspective of the individual (Vohra & Singh, 2005) in terms of getting feedback on performance as well as from the perspective of a group in terms of the development of the organisation (French & Bell, 1999) that is often linked to some or other organisational change programme.

From the perspective of the individual, feedback can be defined (Ilgen, Fisher & Taylor, 1979) as a part of the communication process whereby a sender conveys a message to a recipient. The recipient's response to the message (feedback) depends on his or her personal characteristics, the nature of the message and characteristics of the source of the feedback.

Vohra & Singh (2005) defines feedback as the information people give to the role incumbent about the incumbent's performance outcomes, behavior patterns, competence, ideas and actions. West and Markiewicz (2004) agree with this definition and add that feedback needs to be given in a sensitive and constructive way.

Hollenbeck, Ilgen, Lepine, Colquitt & Hedlund (1998) states that feedback has both informational value, in terms of promoting learning, and motivational value, in terms of promoting effort.

Feedback, from the perspective of groups can be defined by looking at organisational development and specifically organisational development (OD) programs (Cummings & Worley, 2005; French & Bell, 1999).

Feedback as one of the phases in an OD program is where the information that was gathered and analysed during the earlier phases are returned to the client system. This is a crucial stage in any change process or program as the client gets the opportunity to clarify and explore the information by asking questions as well as adding their perspective to the information (Cummings & Worley, 2005; French & Bell, 1999). The rest of the OD program will also be structured around the outcome of the feedback session with the client as the client need to take ownership of the information and will then, with the assistance of the consultant, plan the change further in terms of specific interventions to address areas of concern.

4.2.   IMPORTANCE OF FEEDBACK

Feedback to individuals and groups has many benefits according to the literature (Bailey & Fletcher, 2002; Burke, 1999; Hollenbeck, Ilgen, Lepine, Colquitt & Hedlund, 1998; Jabri, 2004; McAfee, Quarstein & Ardalan, 1995; Passos & Caetano, 2005; Steelman & Rutkowsi, 2004; Tourish & Robson, 2003) for example to assist individuals and teams in terms of their development, enhancing performance, motivating employees, creating a forum for dialogue between people, to name a few. Individuals and organisations function on the basis of the information that they receive (Fournies, 2002). Given this relationship between information, presented as feedback, and organisational behaviour, it is evident that feedback has enormous potential as a possible tool for the improvement of an organisation and for planned organisational change (Nadler, 1977).

Feedback is also important as it directs behaviour (Fournies, 2000; London, 2003; Steelman & Rutkowski, 2004), by providing information to the people involved on whether they are meeting their goals (Harmon, Brown, Widing & Hammond, 2002). Put very simply feedback guides, motivates and reinforces effective behaviours and reduces or stops ineffective behaviours (London, 2003).

According to London (2003) feedback has the following positive effects:

- it directs behavior
- it influences future performance goals, essentially creating objectives for achieving higher levels of performance in the future
- employees know what they can do well, and how much better they can do if they try harder
- positive feedback itself is reinforcing
- people appreciate knowing when they have done well.
- it heightens their sense of achievement and internal motivation
- it increases employees' abilities to detect errors on their own.
- it sets standards and employees learn to evaluate themselves against these standards
- it enhances individual learning

According to Harmon, Brown, Widing and Hammond (2002) feedback may be important from a psychological point of view with benefits such as reduced tension and increased commitment. The benefit of feedback greatly depends on how the feedback is delivered.

Feedback is most effective in changing and strengthening behaviour when it follows immediately after the behaviour (Harvey & Brown, 2006; Ovando, 1994; West & Markiewicz, 2004). In the organisational setting today this is often not the case as feedback is usually given to employees during the annual appraisal meeting (West & Markiewicz, 2004). West and Markiewicz (2004) further advocate that feedback should be balanced in terms of negative and positive feedback.

For feedback to be constructive, according to Ovando (1994) it must consist of the following characteristics:

- Relevant – addresses performance, achievements, needs and interests;
- Immediate – provided as soon as information is available;
- Factual – based on actual performance;
- Helpful – provides suggestions for improvement;

- Confidential – given directly to the individual involved;
- Respectful – respects the individuals' integrity and needs;
- Tailored – designed to meet individuals' specific needs and circumstances;
- Encouraging – motivates the individual to continue and to increase efforts.

Pritchard, Holling, Lammers & Clark (2002) also identified features that are important for feedback to be effective, namely:
- measurement standards used must be realistic
- external evaluations should be congruent with the personal standards of the person being evaluated
- evaluation standards should be clear, descriptive, specific and developed with the help of those to whom the standards apply
- information resulting from such evaluations should be specific, provided regularly, and stated descriptively in behavioural terms
- the feedback should have information value to the recipient and thus provide information over and above what is already known by the individual.
- attention should be focussed on learning and motivational aspects of the task and move beyond defensive reactions.

It is evident from the above that feedback is an important part of the communication process but also that there are definite benefits for the individual as well as the organisation. For feedback to be effective it is however crucial that the person giving the feedback must pay attention to how it is conveyed and ensure that this process is optimised.

4.3. MODELS OF FEEDBACK

Feedback can occur on different levels, namely the individual level, group level (April, 1999), as well the organisational level (French & Bell, 1999). Some models of feedback will now be discussed to explore these different levels.

4.3.1 Individual feedback

To gain an understanding of feedback form the perspective of the individual the process of communication as well as the Johari window model will now be discussed.

4.3.1.1   The process of communication

The process of communication (Gibson et al., 1991; Steenberg, 1997; Stoner and Freeman, 1989) consists of six elements (illustrated in figure 4.1), namely the sender, encoding the message, the channel, decoding, the receiver, feedback and noise. Feedback, as one of the steps in the communication process, can enhance the communication process by providing a channel for the receiver's response to enable the communicator to determine whether the message has been received and understood correctly (Gibson et al., 1991; Steenberg, 1997; Stoner and Freeman, 1989).

------ = Noise
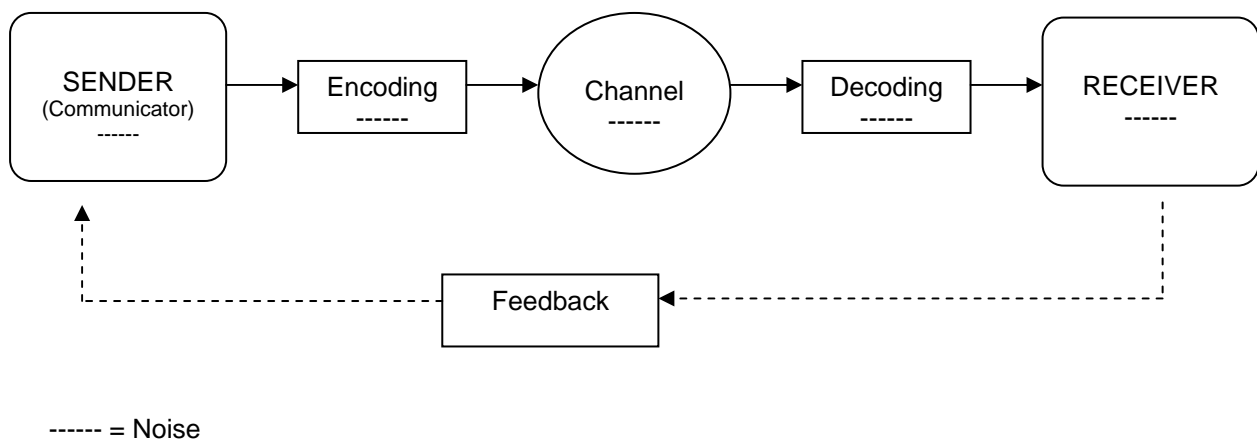
Figure 4.1 The communication process (Gibson et al., 1991; Stoner and Freeman, 1989)

4.3.1.2   The Johari window model

The Johari Window model (Harvey & Brown, 2006) that was developed by Joe Luft and Harry Ingram, can be used as a feedback tool whereby an individual can get feedback from others in terms of how their behaviour comes across to others. This

model (illustrated in figure 4.2) is a four-celled figure based on the interaction of information from the individual as well as from others. The four areas of this model (Harvey & Brown, 2006) will now be discussed briefly.

- **The Public Area**

The area includes behaviours, thoughts and feelings that are known to both the individual and others. The larger this area of the model becomes, the more effective the communication will be.

- **The Blind Area**

This area represents aspects of the individual (behaviours, thoughts and feelings) that is not known to the individual but is readily apparent to others. These may include habits that the individual may be unaware of.

- **The Closed Area**

This area involves thoughts, behaviours and feelings that are known to the individual but not to others. For others to become aware of this area the individual needs to disclose it to them.

- **The Unknown Area**

This area involves the behaviours and feelings that are unknown to both the individual and others. These may be feelings that are unconscious and repressed by the individual.
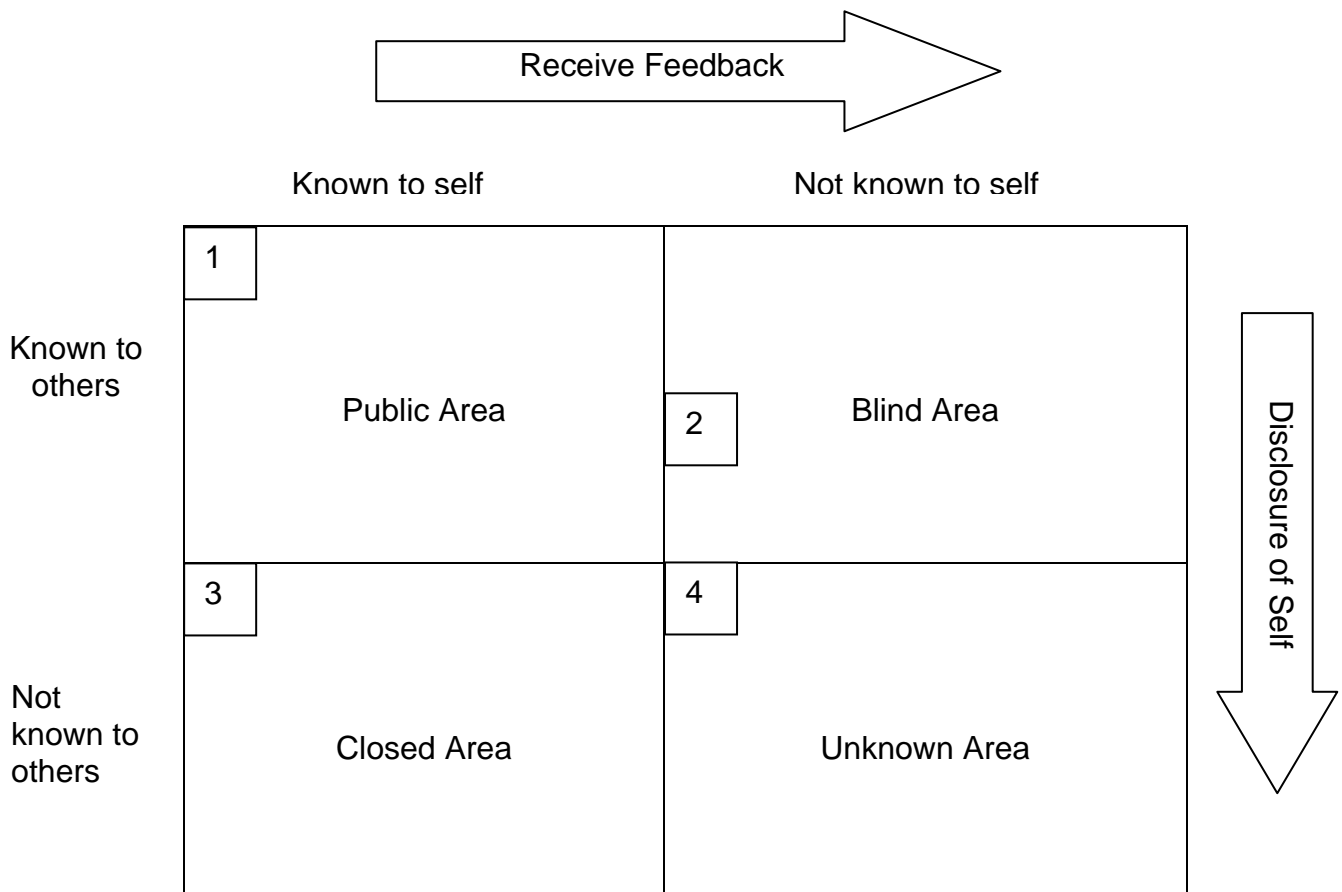
Figure 4.2 Johari Window model (Harvey & Brown, 2006, p.244)

It is evident from the model of the communication process as well as the Johari window model that feedback is a crucial element in communication in general and specifically to the individual in terms of self development by providing a channel to get input from another person and thereby reducing the individual's blind areas.

4.3.2 Group level feedback

The increased use of groups in the organisational context (Dewett, 2003) illustrates the need to examine the means by which groups understand and process feedback. According to Dewett (2003) the effects of feedback given in a group setting may be very different from the effects of feedback given to individuals. Understanding feedback at the individual level can be very complex (Dewett, 2003) thus at the

group level the difficulties are even greater due to different dynamics that are present at the group level.

According to Jabri (2004) team feedback has traditionally focussed on individuals describing their perceptions of the team situation. These perceptions are then usually averaged to get to the team level. This process of averaging individual responses can lead to individual differences being masked. Jabri (2004) suggests using facilitated discussions whereby individual responses of members are discussed.

Trust between individuals is a critical element when providing team feedback (April, 1999) and involves encouraging everyone to reveal thoughts and feelings about themselves to others through self-disclosure. This is very important in any change situation as people who are willing to communicate openly (including fears and feelings) will be more willing to inform change rather than resist it (April, 1999).

From the perspective of self-disclosure the Johari window model (described in the previous section) can also be applied to feedback in groups. Feedback to groups in terms of how their behaviour is perceived by others can help the group to widen their public area. This can only be achieved with the help and cooperation of others in terms of providing feedback to the group to reduce their blind areas and by disclosure of thoughts and feelings to others to reduce their closed area.

4.3.3 Organisational level feedback

Most organisational development interventions involve the collection of information and the use of that information in order to improve the effectiveness of an organisation (French & Bell, 1999; Nadler, 1977). This process can also be referred to as survey feedback and rests on a systematic process of collecting data about the system and feeding back the data to individuals and groups at all levels of the organisation to analyse, interpret meanings, and design corrective action steps (Church, Margiloff & Coruzzi, 1995; French & Bell, 1999; Harvey & Brown, 2006; London, 2003).

The purposes of survey feedback are to develop an understanding of the problems, to improve working relationships and to identify factors and opportunities for change or to determine areas where more research is required (Harvey & Brown, 2006).

The survey feedback technique is essentially a procedure for giving objective data about the system's functioning to the people working in the system so that they can change or improve selected aspects of the system. The objective data are obtained through the survey, while working with the data to improve the organisation is done in feedback sessions. Survey feedback thus consists of two major components namely using a survey (e.g. climate- or attitude surveys) and the use of feedback workshops (French & Bell, 1999). The attitude survey can be a powerful tool in organisational improvement but it must be used in an optimal way.

According to French and Bell (1999) and Harvey & Brown (2006) for a survey to be used optimally the following steps should be included:

1. Organisation members at the top of the organisational hierarchy are involved in the preliminary planning of the survey;
2. Data are collected from all organisational members (usually by distributing a questionnaire);
3. Data are summarized and fed back to the top executive team and then down through the hierarchy in functional teams.
4. Line managers and supervisors presides at meetings with their subordinates in which the data are discussed and in which (a) subordinates are asked to help interpret data, (b) plans are made for making constructive changes and (c) plans are made for the feedback of the data to the next lower level.
5. Most feedback meetings include a consultant who has helped prepare the manager for the meeting and who serves as a resource person.

Feedback is thus a critical part of the survey-feedback process. Change can only happen when people sit down together to work with data and identify what needs to happen (Harvey & Brown, 2006). The feedback meeting is thus at the centre of the question of whether feedback will produce change or not. Line managers and supervisors that are responsible for facilitating these feedback meetings will

therefore have to learn how to give and manage feedback in such a way that it is helpful and not destructive (French & Bell, 1999; Harvey & Brown, 2006). The relevant people will therefore have to be trained in the skill of giving and receiving feedback.

Feedback (specifically survey feedback), according to French & Bell (1999) is the most constructive when:

- it is sought by the leader and the unit involved
- unit data and aggregate organisational data are reported to the respective manager, but not data specific to other units (direct comparison to peers tend to be highly threatening at first)
- managers plus their subordinates discuss the dynamics underlying the data with the help of a third party and make action plans.

According to Harvey and Brown (2006) the survey feedback process is seen as a powerful process for creating changes in an organisation and specifically that the results were more favourable where the organisation involved all the employees. They further conclude that when survey feedback interventions are used in isolation the success is usually short-range and can be more substantial if the feedback is combined with other interventions.

If a survey is inappropriately applied, or the results misinterpreted or not disclosed at all, the process of using survey feedback may have negative effects on the organisation. It is important that the employees must see benefits from having taken part in the survey (e.g. employees must see actions arising from the problem areas that were identified by the survey). If there seems to be no benefit from the survey employees may start to distrust the process that may have negative effects for using surveys in the future (Hartley, 2001). Confidentiality is another important consideration when using surveys. When employees do not believe that the survey is confidential they might not be totally honest in their responses (Hartley, 2001).

From the above it is clear that feedback occur on many levels. From the individuals perspective feedback is important in terms of self-development with the prerequisite

that the individual is willing to invite and accept such feedback. The rise in the use of groups in organisations led to a greater emphasis being placed on feedback from the perspective of the group level. Both feedback from the individual and group perspective can be linked to the feedback from the perspective of organisational development as people who are willing to communicate openly will be more willing to inform change rather than resist it.

4.4   REACTIONS TO FEEDBACK

No one is indifferent to feedback. Receiving feedback according to Blanchard (1998) can arouse all sorts of feelings such as anxiety, fear, shame and satisfaction. First reactions (Lepsinger & Lucai, 1997) may be to look for ways to rationalize the information to better fit the individuals' self-perceptions or idealized views of themselves. Another reaction to feedback can also be avoidance or denial (Vohra & Singh, 2005) whereby the recipient of the feedback attempts to ignore or disbelieve the information that was presented.

According to Nadler (1977) feedback can cause changes in behaviour by the creation and direction of energy (illustrated in figure 4.4). If no energy is created by the feedback then there is no potential for change as people are not motivated to act. If the feedback creates energy it is important to look at the direction of the energy. This energy can be used to solve problems and therefore initiate change, provided that the means exist to transform the energy into concrete action. On the other hand this energy that was created by the feedback can result in anxiety, which can lead to resistance and therefore no change.
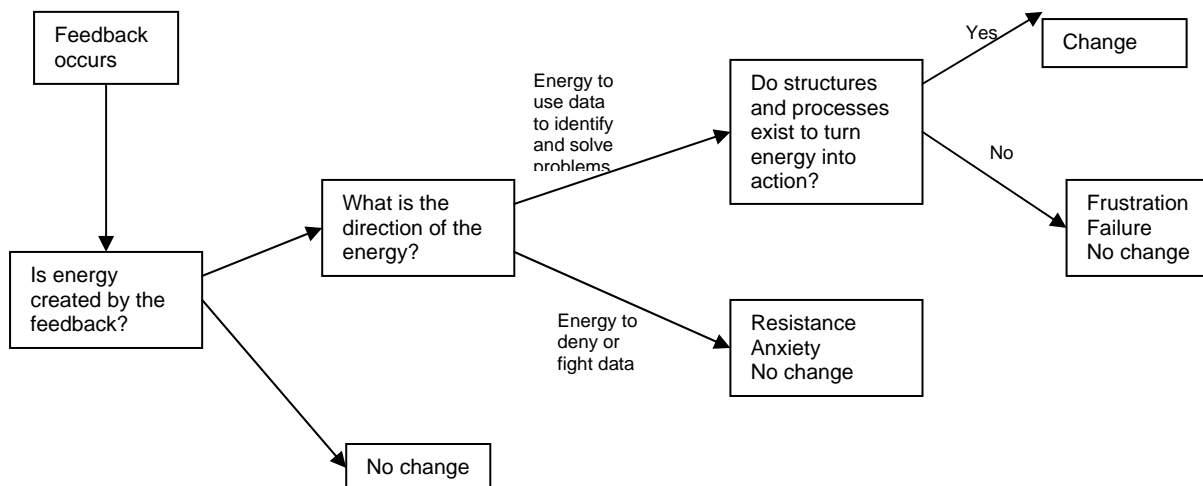
Figure 4.3 Possible effects of feedback (Nadler, 1977)

Vohra & Singh (2005) conducted a study whereby 107 secondary school principals received multifaceted feedback (from students, teachers, parents, nonteaching staff and members of the management committee) in the course of a leadership development program. They then classified the responses (reactions and manifestations) as those avoiding and denying feedback received at the level of the actual data and their interpretation, rationalizing of the feedback received, superficial interpretation of data and unnatural behavioural manifestations on receiving the feedback (figure 4.5).

- **Avoidance and denial**

In avoidance, the recipient of the feedback attempts to ignore or disbelieve what is presented in the feedback. Such avoidance (Vohra & Singh, 2005) can be manifested in the recipient's denying the feedback and believing that the data that were collected were untrue. Examples of this can be that the recipient can doubt the sincerity of the feedback giver or questioning the sample size. They also avoid reality at the stage of data interpretation by not attending to the information, or finding inappropriate benchmarks.

- **Rationalizing and Finding Justification**

Recipients tended to find reasons or excuses for feedback that was below expectations. Rationalizing is a perfectly fair self-preservation mechanism until it is done in a manner that you may not be turning a blind eye to something that may be of benefit in the long run.

- **Superficiality**

Superficiality is the tendency to gloss over subtle aspects of the feedback and pay attention only to that which is expected and obvious (Vohra & Singh, 2005). Vohra & Singh (2005) found that the recipients often gloss over the nuances contained in the feedback although examining the data in detail can be very beneficial.

- **Unnatural Manifestations**

These exaggerated physical and mental reactions to feedback take several forms, namely:
- Overreaction and dramatization as a means to hide our real feelings.
- Self-pity – this blocks the ability to use feedback for improvement.
- Feeling Unwell – *e.g.* physical reactions, such as stomach cramps, after receiving the feedback. These physical reactions might be because the recipient does not accept his or her feelings about the feedback and is trying to suppress them.
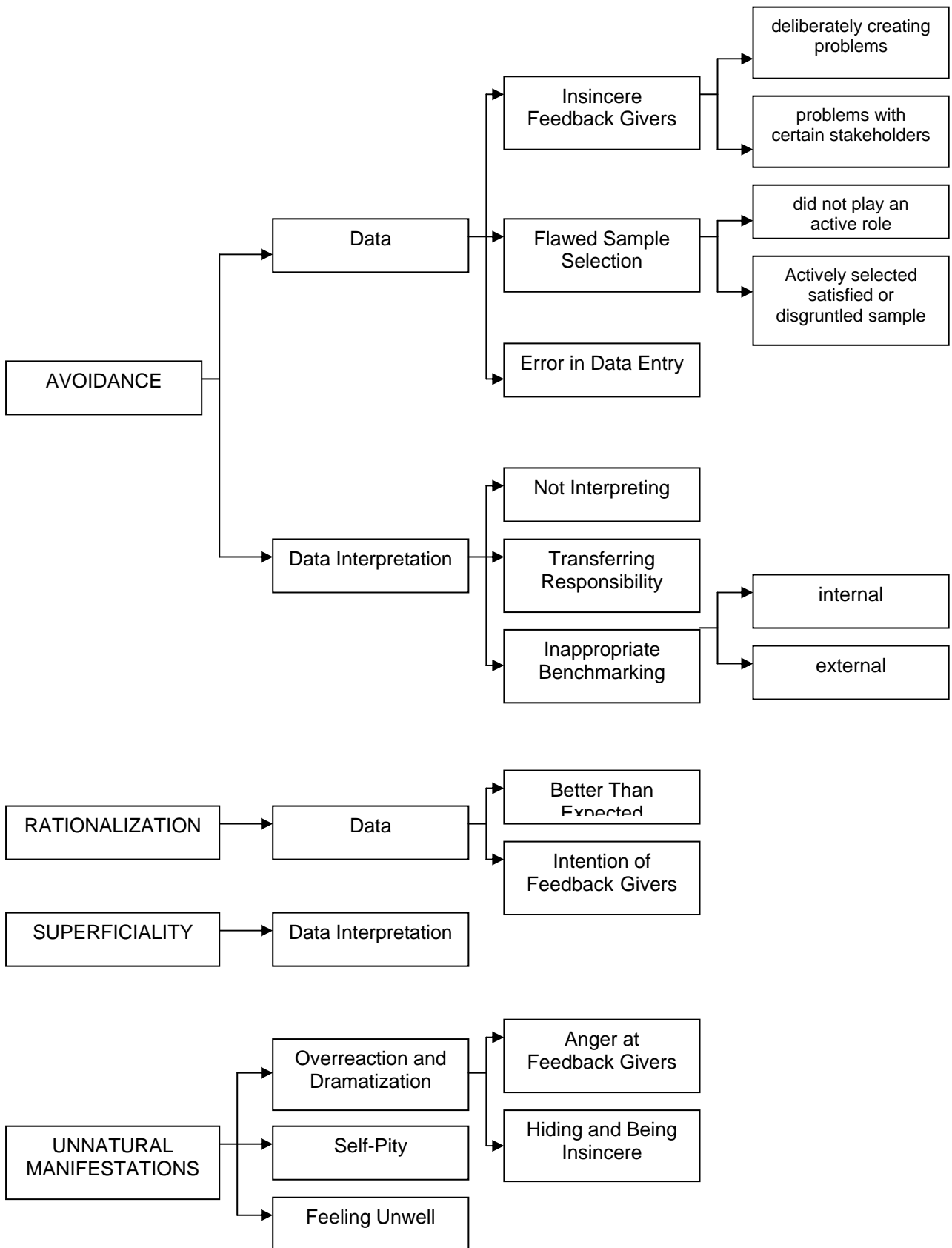
Figure 4.4 Reactions to feedback (Vohra & Singh, 2005, p.141)

All these reactions to feedback are forms of resistance and are used to shift the focus away from the individual to those giving the feedback, the medium or the instrument. It is important that the person/s that gives the feedback be aware of the types of resistance in order to help the individual to overcome the resistance and thereby get the most value from the information. According to Lepsinger and Lucia (1997) there are three reasons why people reject feedback. These are the unwillingness or inability to challenge self-perceptions, the fear of having their weakness exposed and the perceptions that the feedback is unbalanced.

According to an article on leadership development (Strategic direction, 2004) the following pointers may assist managers (and people in general) to overcome resistance to feedback:

- Clearly defined roles and responsibilities and issues of confidentiality must be addressed;
- Emotions such as fear, embarrassment or anger that recipients may feel must be addressed;
- Using stories and metaphors could make it easier for participants to discuss their experiences;
- Raising self-awareness and empathy;
- Use the recipients' cognitive strengths to help them understand the feedback they have been given;
- Help recipients to take note of the impact of their behaviour on others;
- Try to change the recipients perceptions of negative feedback;
- When change is needed due to external pressures, make sure recipient of the feedback see it as a positive entity rather that as a threat;
- Challenge the recipients of feedback to see the value in the feedback (e.g. a change that is needed);
- Provide 'quick-wins' to ensure continued motivation.

In order to make feedback as effective as possible it is necessary to take into account that different people have different reactions to feedback. The person giving

the feedback needs to be aware of the typical reactions and manage these to minimise people's resistance to their feedback.

4.5. THEORETICAL INTEGRATION

From the literature review it was found that feedback can be given on different levels namely to individuals, groups and organisations (French & Bell, 1999; Vohra & Singh, 2005). On the individual level feedback is important as it provides the individual with critical information in terms of his or her performance that ultimately leads to an awareness of areas that needs development or behaviours that need to be changed (Vohra & Singh, 2005). Groups, in an organisational setting, can be seen as a collection of individuals and can also get feedback by means of the survey feedback process (French & Bell, 1999). This type of planned change process is usually linked to some kind of crises or inquiry whereby previously unknown phenomena can be discovered. The feedback process can then be used to inform all organisational members of the problem areas that need to be addressed.

Feedback can have either a negative or positive effect depending on how it is delivered. Reactions to feedback differ from person to person as feedback can arouse all sorts of feelings such as anxiety, fear, shame and satisfaction (Blanchard, 1998). The negative responses to feedback can broadly be grouped into those avoiding and denying feedback received at the level of the actual data and their interpretation, rationalizing of the feedback received, superficial interpretation of data and unnatural behavioural manifestations on receiving the feedback (Vohra & Singh, 2005). All these reactions to feedback are forms of resistance and are used to shift the focus away from the individual to those giving the feedback, the medium or the instrument. It is important that the person/s that gives the feedback be aware of the types of resistance in order to help the individual to overcome the resistance and thereby get the most value from the information.

According to Harmon, Brown, Widing and Hammond (2002) providing feedback can have benefits such as reduced tension and increased commitment. Nadler (1977) agrees that feedback has enormous potential as a possible tool for the improvement of an organisation and for planned organisational change. For feedback to be

effective the person giving the feedback need to be skilled in dealing with the typical negative reactions and resistance to feedback. From the literature it was established that the following guidelines are important to ensure effective feedback:

- Feedback should to be given immediately after the behaviour;
- Feedback should be relevant and factual;
- Feedback should be helpful and incorporate suggestions for improvement;
- Feedback should be balanced in terms of negative and positive aspects;
- Feedback should be tailored according to the indivduals' specific needs and
- Feedback should be focussed on learning and motivational aspects of the task

Feedback can thus be seen as adding value or having a positive effect on the organisation and the members of the organisation insofar as it creates an awareness of what needs to change to address certain problem areas. On the other hand feedback can be experienced as negative, if the individual's reactions and resistance to the feedback is not managed properly. The person giving the feedback thus needs to be skilled in this regard and be able to deal with the typical emotions that people might experience as a result of the feedback.

It can therefore be argued that giving feedback to the organisational members on the existing culture of the organisation, and thereby making them aware of certain problem areas, it can lead to a change in individual behaviour as well as group and organisational behaviour, provided that the negative responses and resistance to the feedback be minimized.

4.6. CHAPTER SUMMARY

The chapter began with discussing the definitions of feedback followed by the different models of feedback where the levels of giving feedback were looked at. The importance of feedback was then discussed whereafter the typical reactions to receiving feedback was discussed. Lastly the theoretical concepts organisational culture, changing organisational culture and feedback was integrated. Herewith phase one of the research was completed.

CHAPTER 5

EMPIRICAL RESEARCH

The aim of this chapter is to present on overview of the empirical research undertaken to determine the impact of feedback on organisational culture. More specifically the focus will be on describing the population and sample followed by a motivation for the measuring instrument used. The administration of the questionnaire and the processing of the data will then be discussed. Lastly the research hypothesis will be formulated.

5.1   POPULATION AND SAMPLE

Sampling, according to Terre Blanche and Durrheim (1999), involves decisions about which people to observe. The main concern in sampling is representativeness and therefore a sample needs to be selected that will be representative of the population about which the researcher wants to draw conclusions (Terre Blanche & Durrheim, 1999). It is for this reason that a convenient sampling approach was chosen for this research.

The research was conducted among the employees of a financial institution in South Africa. The specific organisation is structured according to different business units with specific subdivisions in each business unit. For both measurements (pre-test and post-test) the population comprised all employees in the different business units, excluding employees in the support functions, namely Human Resources, Information Technology, Marketing and Finance. The business units that were included were the following:

- Broker services
- Insurance services
- Business support services
- Call centres
- Specialist portfolios

A convenient sampling approach was followed as the questionnaires were sent to all employees in the specific business units, inviting them to participate. The employees thus had the choice to partake in the research or not.

The population for the pre-test measurement consisted of 2228 people with a response rate of 71,10%. A second measurement of organisational culture (post-test) was done to determine if there were any changes in the culture. The population for this measurement consisted of 1952 people with a response rate of 47,49%.

According to Sekaran (2000), a response rate of 30% is regarded as acceptable for most research purposes so the 71,10% and 47,49% response rates obtained by this study can be regarded as more than acceptable. The good response rates (especially for the pre-test) could be a result of participants having been informed in advance of the purpose and objectives of the research as well as the personal relationship that exists between the respondents and the researcher.

The population for both measurements of organisational culture consisted of males and females and represented the four race groups, namely White, Black, Asian and Coloured people.

The population for the feedback intervention was structured around the functional teams of the different business units according to the survey feedback approach (Harvey & Brown, 2006). All members of the specific teams were invited to attend the feedback sessions but the number of people actually attending the sessions was dependent on people having to remain in the offices for business to carry on. The number of feedback sessions that were facilitated per business unit is illustrated in table 5.1.

TABLE 5.1

FEEDBACK SESSIONS PER BUSINESS UNIT

Business unit	Feedback sessions
Broker services	29
Business support services	31
Call centres	22
Specialist portfolios	3
Insurance services	118
Total	203

A total of 203 feedback sessions were facilitated in the five business units with the number of sessions per business units linked to the number of teams in the specific business unit.

5.2   SELECTING AND MOTIVATING THE MEASURING INSTRUMENT

The following section provides an overview of the development and the motivation for the use of the Corporate Culture Questionnaire, the dimensions covered in the questionnaire as well as a description of the scales used in the questionnaire. Lastly the reliability and validity of the CCQ will also be discussed.

5.2.1 Development and Motivation for the Use of the CCQLite

The measuring instrument that was selected to describe the perceived culture from the perspective of the employees is the Corporate Culture Lite Questionnaire (CCQLite). This questionnaire (CCQLite) was based on the Corporate Culture Questionnaire (CCQ) that was developed over the course of several years in response to the need for an easily usable instrument, which would be useful to management (Saville & Holdsworth, 2000).

The CCQ was constructed through a top-down procedure and based on considerable experience of psychologists' and sociologists' instruments in this field as well as an examination of the literature an overarching conceptual structure was derived. Twenty major dimensions of an organisation's culture (later amended to 21), which are important to organisations and whose significance has been supported by empirical and theoretical research, were identified (Saville & Holdsworth, 2000). Six different versions of the questionnaire were trialled involving 3971 respondents in a variety of organisations of different sizes as well as a series of extensive item and statistical analysis. Factor analysis reduced the questionnaire to 126 items across 21 scales, with six items per scale (Roos, 2005).

The CCQLite consists of two sections namely a biographical section and the questions. Respondents are asked to complete the following biographical information:

- Current division
- Age
- Gender
- Date of administration
- Ethnic origin
- Educational level
- Years in current position

Before starting with the answering of the questions respondents have to read an introduction and instructions with regard to the completion of the questionnaire. The questionnaire included 69 questions and a five-point Likert response scale is used in the questionnaire (format ranging from 'Strongly disagree' to 'Strongly agree' (See table 5.2).

TABLE 5.2

THE RESPONSE SCALE FORMAT

Strongly disagree	Disagree	Unsure Or not applicable	Agree	Strongly agree
1	2	3	4	5

The average completion time for the CCQLite is approximately 25 minutes.

5.2.2 Description of the Scale

The final version of the CCQLite, which is based on the original Corporate Culture Questionnaire (CCQ), contains four principal domains of culture, which consisted of 23 scales with three items each.

Two dimensions of the CCQLite were not applicable for the purposes of this study and were thus excluded for both measurements. These two dimensions were Environmental concern and Concern for safety. After the pre-test measurement the research organisation, entering a period of significant changes, placed a bigger focus on the dimension Rate of change (D5) and thus made some changes to this dimension. This specific dimension will therefore also be excluded from the analysis and interpretation.

The four principal domains of the CCQLite are:
- human performance domain
- human resources domain
- decision-making domain
- relationships domain.

The human performance domain

Concern for quantity (P1)

In organisations scoring highly on this scale there is a strong emphasis on the amount of work done. Productivity is likely to be a key issue, and people are expected to carry heavy workloads. Organisations with extremely high levels of concern for quantity may find that the quality of work may suffer and/or that this extreme emphasis on industriousness produces resentment from the workforce. In low scoring organisations, targets or output levels may take second place to other priorities, such as restricting the market availability of a product or service, or adherence to safety standards.

Concern for quality (P2)

High scoring organisations have a strong commitment to the achievement of high standards. A thorough, meticulous, precise and accurate approach to work is valued. Organisations with cultures reflecting extremely high levels of concern for quality may find that there is an associated cost in terms of the amount of work done or in failing to meet deadlines. Alternatively, overemphasis on quality may degenerate into obsessional myopic perfectionism. Low scores on this scale may indicate that attention to detail in the delivery of products or services is not valued, and that quality awareness is below that in other organisations.

Use of new equipment (P3)

In high scoring organisations up to date equipment is available when needed and full advantage is taken of recent developments in techniques and technology. Organisations with extremely high scores on this scale may be technologically driven rather than technologically supported. In other words, technology has become the end rather than the means. Low scoring organisations may not be alert to opportunities represented by new developments in equipment, tools or machinery. Alternatively, despite awareness of new possibilities, they may remain committed to the use of traditional skills or craftsmanship in preference to automation or mechanisation.

Encouragement of creativity (P4)

This dimension concerns the extent of encouragement and support given to employees for the development and exploration of new ideas. Organisations scoring highly on this dimension place a strong value on innovation in working practices, products or services. There may sometimes be a certain degree of antipathy towards traditional practices. Extremely high levels of creativity may be associated with levels of risk that exceed those acceptable in other organisations. Organisations with low scores on this scale do not value innovation and probably do not provide support for ingenuity and originality. Indeed, the development of new ideas may be actively discouraged. Alternatively the operating environment may be such that high levels of employee creativity would not necessarily be advantageous or progressive.

Customer orientation (P5)

In high scoring organisations people recognise the requirement to put the customer first, and customer service is treated very seriously. Customer service is important throughout the organisation and, in some cases, steps may be taken to anticipate or even create customer demands. Extremely high scores on this scale may indicate that concern to meet customers' needs sometimes overrides attention to operational efficiency. Organisations with low scores on the dimension may be remote from their clients or customers and insensitive to, or unaware of their needs or changes in those needs.

Commercial orientation (P6)

This scale seeks to address more directly the extent to which organisations focus solely on activities that benefit the bottom line. In organisations that score highly on this dimension, profitability and return on capital are likely to be key performance indicators. People may feel that the organisation will do anything to gain profit, and will demand close attention to the costs involved in taking on any activity. In extremely high scoring organisations there may be a degree of ruthlessness in achieving financial gain or cost reduction, leading at times to a short-term-profit-now perception. In low scoring organisations much activity may occur that is not justified in terms of its impact on the organisation's financial standing. There may be no history of financial management in the

organisation and a feeling that the money will be found from somewhere to fund the latest initiatives.

The human resources domain

Concern for employees (H1)

In high scoring organisations, the employer is seen as considerate and employees feel that management is concerned about employees' welfare, and there is support for people when they have problems. Organisations that score extremely highly may find that this aspect of their culture interferes with their effectiveness, either through an excessive focus on human-centred aspects of decisions or through an organisational reluctance to confront difficult human resource decisions. Employees may sometimes feel 'smothered' by the high scoring organisation. Low scores indicate that employees are viewed primarily as 'cogs in the machine', rather than as individuals to be valued in their own right.

Job involvement (H2)

People feel enthusiastic about their jobs and are motivated to work well in organisations that score highly on this scale. They strive to improve their work and want to perform at their best. Because they actively enjoy their work, finding it interesting or stimulating, people are willing to make special efforts in their jobs. Extremely high scores may indicate that routine or boring tasks are sometimes overlooked. Low scores may be indicative of poorly motivated staff, who find their work unrewarding and who are reluctant to invest extra energy in carrying out their jobs.

Concern for career development (H3)

This scale concerns the extent of an organisation's commitment to the training and development of its employees. In high scoring organisations, this commitment is substantial, training is highly valued, and career development within the organisation is treated seriously. Organisations with extremely high scores may fail to recruit appropriate skills from outside, or may provide excessive training, beyond that which is required for effective performance. Alternatively, they may increase employee expectations beyond their capacity to

meet them. Low scoring organisations invest little in training and their employees may feel that career paths or opportunities for progression are poorly defined.

Emphasis on performance related rewards (H4)

In high scoring organisations, people receive recognition for their achievements and high levels of performance are rewarded in terms of pay or promotions. The organisation is genuinely meritocratic. Organisations with extremely high scores might have difficulties in establishing targets, which are perceived as fair, and in accurately assessing individual performance. Some individuals in those organisations may feel that their effort is not appropriately rewarded, since there is an over-emphasis on results/outputs and insufficient regard for effort/input. In low scoring organisations good performers could feel frustrated or resentful that their rewards are undifferentiated from poorer performers.

Concern for equal opportunities (H5)

High scoring organisations are seen as providing equal opportunities in the areas of recruitment, selection, assessment and career development Policies and practices are seen as equally fair to all groups of people. Moderately high scores could be indicative of complacency rather than an active equal opportunities policy. Where there has been a recent equal opportunities initiative, scores may be lowered if some of the majority group feel threatened by the loss of their previous advantages. In low scoring organisations some groups are seen as unfairly disadvantaged, through either overt sexism and racism or a failure to take proactive steps to counter inequality of opportunity.

The decision-making domain

Degree of formalisation (D1)

High scoring organisations are likely to be very bureaucratic and structured with clear sets of rules and regulations. In extremely high scoring organisations, a surfeit of formalisation may lead to inflexibility and inefficiency; the degree of conformity required may stifle individualism to an excessive degree. Low scores on this scale may indicate a lack of structure and rules such that people are unclear what is

expected of them. Alternatively, low scores may reflect a positive emphasis on procedural flexibility and individual adaptability to meet the needs of a situation.

Employee influence on decisions (D2)

Organisations scoring highly on this dimension are those in which employees have considerable autonomy and discretion in decision-making. Management in high scoring organisations encourages employees to work independently without close supervision; authority and responsibility may be highly devolved and employees actively participate in decisions about tasks or projects. Extremely high scores on this scale may be associated with disorder and disorganisation resulting from an absence of central control, guidance and co-ordination. In low scoring organisations, decision-making is highly centralised and handled directively, without widespread participation.

Decision-making effectiveness (D3)

This scale describes the extent to which routine decisions are made effectively and efficiently. In high scoring organisations, appropriate decisions (either rational or intuitive) are made with due speed rather than delayed. The outcomes of decision-making are likely to be of high quality. People ensure that before making a decision they have ascertained the necessary facts and information and/or have consulted appropriately to gather views and opinions from relevant personnel. In low scoring organisations, decision quality is likely to be poor with little consultation and/or characterised by excessive caution, inconsistency or delay.

Concern for the longer term (D4)

This scale assesses the organisation's commitment to planning ahead. High scores indicate a positive commitment to anticipating future demands, constraints and possibilities. People look beyond the immediate future in formulating decisions, in order to balance long-term requirements with short-term needs. Forecasting may be regarded as a key activity throughout the organisation and longer-term thinking is explicitly valued. In organisations with extremely high scores, there may be an excessive focus on strategic issues to the detriment of immediate operational realities. Low scoring organisations tend to be reactive in style, concerned with the

'here and now' and immediate 'fire fighting'. The short-term emphasis in low scoring organisations may have adverse impact in the longer term.

The relationships domain

Vertical relations between groups (C1)

The scale concerns the quality of relationships between different hierarchic levels in an organisation. Organisations with high scores are likely to have good relationships between management and other staff. There are relatively few destructive conflicts; and there is less likely to be hostility or suspicion between management and other staff than in most organisations. Extremely high scores in some cases may be a manifestation of conflict avoidance or suppression. In low scoring organisations, conflict is endemic with relationships between management and other groups being marked by damaging discord and antagonism.

Lateral relations between groups (C2)

This scale concerns the quality of relationships between groups (rather than individuals) at the same level of an organisation. In high scoring organisations, sections or departments co-operate rather than compete with each other. Potential inter-divisional conflict or rivalry is addressed, and departments collaborate effectively together towards the achievement of the organisation's goals. Organisations with extremely high scores should bear in mind that some controlled intergroup competition may enhance organisational effectiveness. In low scoring organisations, there is likely to be a harmful sense of hostility between groups or sections. People will often be destructively critical of other departments, and blame them for deficiencies within the organisation.

Interpersonal cooperation (C3)

This scale covers the effectiveness with which individual employees work together. In high scoring organisations, individuals work together constructively. Conflicts are resolved without great difficulty and interpersonal relations are relatively harmonious. At an extreme, this type of work environment may limit organisational effectiveness by minimising productive debate and the free expression of ideas and opinions. Low scoring organisations have little interpersonal

co-operation, and work requiring collaboration between individuals may be ineffectively performed.

Communication effectiveness (C4)

This dimension covers both vertical and horizontal communications. People ensure that others are kept up to date and information is widely shared. Channels of communication are open, clear and direct, and the information provided is relevant, specific and timely. Extremely high scores may be associated with information overload, and/or inadequate attention to other organisational priorities. Low scores on this scale may reflect either deliberate withholding of information or merely inadequacy in this regard. In both cases, the consequences are likely to be demoralisation, mistrust and reduced operational effectiveness.

Awareness of organisational goals (C5)

In high scoring organisations the key objectives and strategic goals have been well disseminated. The main commercial issues facing the organisation have been clearly described and there is a widely understood vision of the future. People are aware of the organisation's top priority goals and its overarching 'mission'. (Note that a stated recognition of those goals is not necessarily accompanied by action directed to their achievement). Extremely high scores may sometimes be associated with an excessive concern for expressions of mission to the detriment of more immediate organisational concerns. Low scoring organisations have failed to create an awareness of the key strategic and commercial issues facing them. One consequence of this may be inadequate coordination of effort within a 'rudderless' organisation.

5.2.3 Reliability and Validity of the Questionnaire

Means, standard deviations and alpha coefficients of internal reliability from the final trial in the development of the CCQ are illustrated in table 5.3.

TABLE 5.3

MEANS, STANDARD DEVIATIONS AND ALPHA COEFFICIENTS

FROM TRIAL 6 (N=274)

		Mean Min = 6 Max = 30	S.D	Alpha
1	The performance domain			
	1.1 Concern for quantity	26,04	3,28	0,74
	1.2 Concern for quality	18,15	4,99	0,80
	1.3 Use of new equipment	16,65	5,38	0,89
	1.4 Encouragement of creativity	16,57	4,38	0,80
	1.5 Customer orientation	20,25	5,11	0,85
2	The human resources domain			
	2.1 Concern for employees	15,96	4,84	0,84
	2.2 Job involvement	16,89	4,14	0,74
	2.3 Concern for career development	16,88	4,47	0,76
	2.4 Emphasis on performance-related rewards	14,57	4,89	0,82
	2.5 Concern for equal opportunities	20,21	4,67	0,86
3	The decision-making domain			
	3.1 Degree of formalization	20,73	3,94	0,72
	3.2 Employee influence on decisions	14,35	4,07	0,77
	3.3 Decision-making effectiveness	17,88	4,16	0,77
	3.4 Concern for the longer term	18,41	4,27	0,80
	3.5 Rate of change	22,21	4,99	0,89
	3.6 Environmental concern	15,45	4,64	0,84
4	The relationship domain			
	4.1 Vertical relations between groups	16,00	3,14	0,74
	4.2 Lateral relations between groups	15,75	4,85	0,83
	4.3 Interpersonal co-operation	20,89	3,81	0,77
	4.4 Communication effectiveness	14,63	4,38	0,81
	4.5 Awareness of organizational goals	17,70	4,67	0,82

Reliability studies (done on the CCQ) were carried out by identifying error of measurement, in the form of inconsistencies that would not emerge if the test were reliable. The reliability of the questionnaire was found more than acceptable (Saville & Holdsworth, 2000). Comprehensive data on the reliability of the CCQLite was being collected at the time of this study. The norm group consisted of managerial and staff levels of a range of organisations in the financial services, transport, pharmaceutical, health and food industries. The exact structure of the standardisation sample group was not available (Roos, 2005).

Three types of validity studies were conducted on the CCQ instrument, namely face validity, content validity and construct validity (Saville & Holdsworth, 2000). The face validity and content validity were found acceptable. The results in terms of the construct validity were supportive and additional investigations in this regard will still be carried out (Saville & Holdsworth, 2000). Validity data for the CCQLite were also being gathered at the time of this study, however, there was already encouraging evidence for both face and content validity of the instrument at the time (Roos, 2005).

5.3 ADMINISTRATION OF THE QUESTIONNAIRE (COLLECTING OF DATA)

The data collection was done by means of two measurements – a pre-test and a post-test. For the first measurement, the pre-test, the questionnaire was distributed (in person and by mail) in an electronic format (on a diskette) to all staff in the business units involved, to try and ensure an optimal response rate. The electronic questionnaire contained a biographical section as well as a section to explain the completion of the questionnaire, including practice questions. The questionnaire was accompanied by a covering letter, explaining the purpose of completion of the questionnaire and also stating that participation is on a voluntary basis and that confidentiality is guaranteed. The researcher's contact details were also included for any questions or uncertainties that the respondents might have. The researcher also contacted one person per branch telephonically to explain the purpose of completing the questionnaire and to invite respondents to contact her for assistance. Respondents had to send the disks, with the

completed questionnaires on, back to the researcher whereafter these disks were sent to Saville and Holdsworth for analysis.

Feedback was then given to the management team per business unit and then down through the hierarchy in functional teams, by using the survey feedback approach. According to Harvey and Brown (2006) survey feedback rests on the systematic process of collecting data about the system and feeding back the data to individuals and groups at all levels of the organisation to analyse, interpret meanings, and design corrective action steps. Line managers and supervisors were involved where feedback was given to their teams but the researcher and four other Organisational Development consultants were responsible for giving the feedback. During the feedback session the people receiving the feedback were asked to help interpret data and compile possible action plans for improvement. Lastly plans were also made for the feedback of the data to the next lower level.

The second measurement, post-test, was also electronic but in the format of an internet link that had to be accessed by the respondents. An e-mail, explaining the purpose of completion of the questionnaire and also stating that participation is on a voluntary basis was sent to every employee in the business units involved. Confidentiality was once gain guaranteed and the researcher's contact details were also included for any questions or uncertainties that the respondents might have. SHL had direct access to the completed questionnaires due to the internet link that was used for the administration of the questionnaires.

5.4   STATISTICAL METHODS AND STRATEGIES

The data from the questionnaires were processed for both measurements (pre-test and post-test) by using the package Statistica (version 7). Descriptive statistics (means, standard deviations and frequency tables) were firstly calculated for each dimension of the CCQLite for both the first and second measurement.

For the interpretation the scores were considered in comparison to a norm group by transferring the raw scores to standard scores. A total mean score was then calculated over all items in each scale after which the effect size was calculated to enable the researcher to determine whether there is a significant difference between the pre-test and the post-test and thereby prove or disprove the research hypothesis.

When interpreting the mean score of the culture profiles of the overall organisation as well as the different business units the following classification was used:

- Sten of 5 and 6: Scores of 5 or 6 represent areas where the culture of the organisation is not markedly different from that of most organisations.

- Sten of 4 or 7: Scores of 4 or 7 represent slight tendencies (slightly less or slightly more than other organisations respectively).

- Sten of 3 or 8: Scores of 3 or 8 represent clear or definite characteristics of the organisation, which are different from most organisations.

- Sten of 1 and 2 or 9 and 10: Scores of 1 and 2, or 9 and 10 are very marked features of the organisation, where that particular characteristic is very much less (or more) in evidence than in other organisations.

The data of the two measurements were then compared using independent t-tests and p-values, to determine any areas of statistical significant differences. A big difference (high result) will indicate either an improvement or deterioration of the culture of the organisation while a small difference (low result) will indicate that there was either a small change or no change in the culture of the organisation. The analysis of variance test (ANOVA) was performed to confirm the results obtained from the above tests.

When looking at differences between groups it is important to take into account what the practical significance (Terre Blanche & Durrheim, 1999) of the effect is. In order to do this the **effect size** is used to express the observed difference in standard deviation units. The d-value is significant, according to Cohen (1988) where d=.2 shows a small effect, d=.5 a medium effect and d=.8 signifies a large

effect size. The effect size was therefore calculated for any possible areas of significant differences, to determine the practical significance of the differences.

5.5   FORMULATION OF HYPOTHESIS

A research hypothesis has to be formulated regarding the impact of feedback on organisational culture in order to allow for the empirical testing thereof.

The following research hypotheses address the objectives of this study:

- H_1: Feedback has a significant impact on the improvement of organisational culture.
- H_0: Feedback has no significant impact on the improvement of organisational culture.

The research hypothesis will be tested by comparing the organisational culture results of the pre-test with that of the post-test.

5.6   CHAPTER SUMMARY

In this chapter population and sampling used in this research were discussed. The Corporate Culture Lite Questionnaire was then discussed and its dimensions, scales, reliability and validity were explained. The administration of the questionnaire was discussed followed by the statistical methods and strategies. The chapter concluded with the formulation of the research hypothesis. The research results will be presented in chapter 6.

CHAPTER 6

RESULTS OF THE RESEARCH

The aim of this chapter is to discuss the results of the study. Firstly the biographical data that were obtained by this study are presented. The results of the culture measurement for the two years will then be discussed, specifically looking at the differences between the different groups in the sample.

6.1 BIOGRAPHICAL PROFILE OF SAMPLE

The biographical information of the sample will now be discussed.

6.1.1 Business Unit Composition

A summary of the descriptive statistics of the total sample for the pre-test and post-test is presented in table 6.1 and table 6.2 respectively. The following abbreviations were used:

BS – Broker services

BSS – Business support services

IS – Insurance services

SP – Specialist sortfolios

CC – Call centers

BU – Business unit

TABLE 6.1

DESCRIPTIVE STATISTICS OF THE SAMPLE FOR THE PRE-TEST

BU	BS	BSS	IS	SP	CC
N	350	247	766	61	160
Race					
White	270	149	488	38	88
Black	23	40	101	8	16
Asian	15	11	34	7	9
Coloured	40	46	129	8	46
Missing	2	1	14	0	1
Gender					
Male	145	72	350	39	56
Female	205	175	416	22	104

TABLE 6.2

DESCRIPTIVE STATISTICS OF THE SAMPLE FOR THE POST-TEST

BU	BS	BSS	IS	SP	CC
N	251	221	342	46	67
Race					
White	201	71	225	28	38
Black	17	6	29	6	4
Asian	6	5	13	7	2
Coloured	25	20	69	5	23
Other	0	1	2	0	0
Missing	2	118	4	0	0
Gender					
Male	105	68	137	27	18
Female	146	153	205	19	49

The breakdown of the sample per Business unit for the pre-test is reflected in table 6.3 and for the post-test in table 6.4.

TABLE 6.3

BUSINESS UNIT COMPOSITION OF SAMPLE FOR THE PRE-TEST

Business unit	Frequency	% of Valid	Cumul % of Valid
Broker services	350	22,10	22,10
Business support services	247	15,59	37,69
Call centres	160	10,10	47,79
Insurance services	766	48,36	96,15
Specialist portfolios	61	3,85	100,00
Total	1584		

Most of the respondents from the pre-test measurement were from the Insurance services business unit (48,36%; N=766). The rest of the sample comprised of Broker services (22,10%; N=350), Business support services (15,59%; N=247), Call centres (10,10%; N=160) and Specialist portfolios (6,94%; N=110).

TABLE 6.4

BUSINESS UNIT COMPOSITION OF SAMPLE FOR THE POST-TEST

Business unit	Frequency	% of Valid	Cumul % of Valid
Broker services	251	27,08	27,08
Business support services	221	23,84	50,92
Call centres	67	7,23	58,14
Insurance services	342	36,89	95,04
Specialist portfolios	46	4,96	100,00
Total	927		

Most of the respondents from the post-test measurement were from the Insurance services business unit (36,89%; N=342). The rest of the sample comprised of Broker services (27,40%; N=251), Business support services (23,84%; N=221), Call centres (7,23%; N=67) and Specialist portfolios (4,96%; N=46).

The breakdown of respondents per business is a reflection of the overall breakdown of staff per business unit at the time of the study.

6.1.2 Race

Figure 6.1 and 6.2 is a breakdown of the sample according to race, for the pre-test and post-test measurements respectively, and indicates that the majority of respondents were white (pre-test – 65,21%; N=1033 and post-test – 60,73%; N=563). This was, however, representative of the overall demographic breakdown of the organisation.
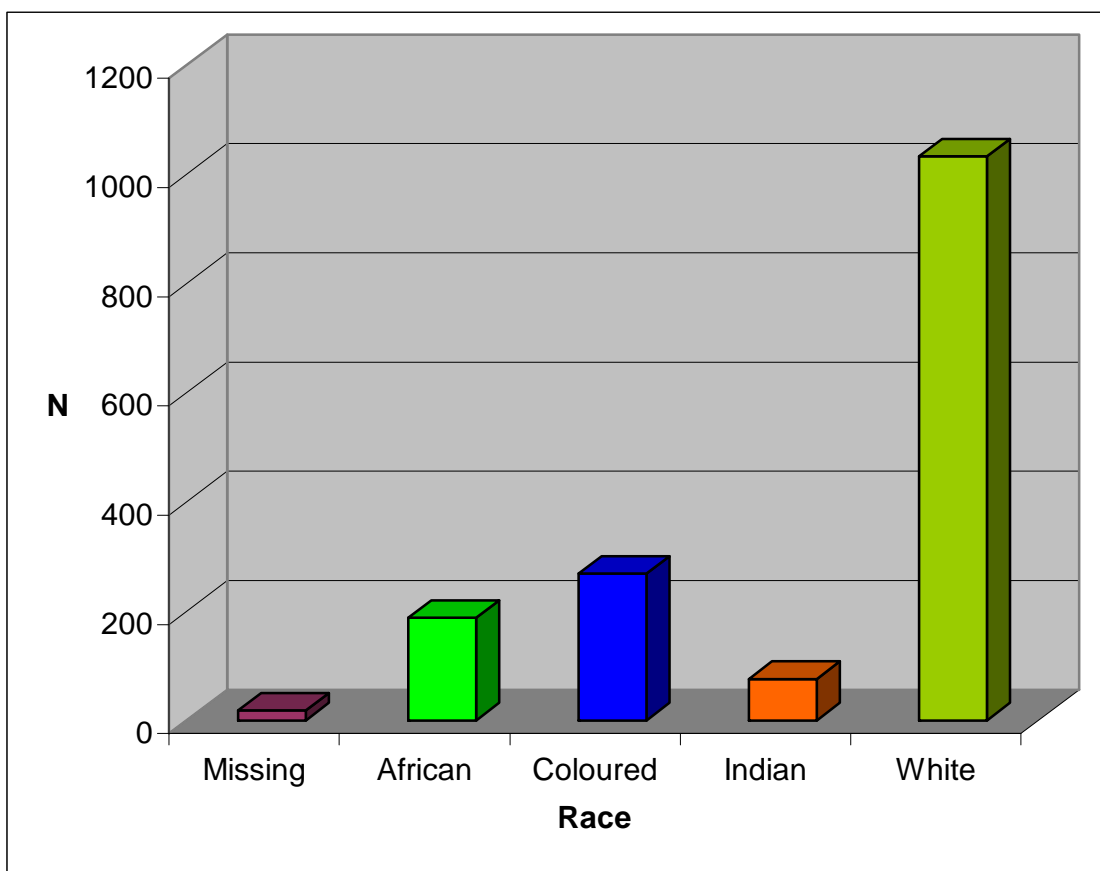
Figure 6.1 Sample split according to race (pre-test)
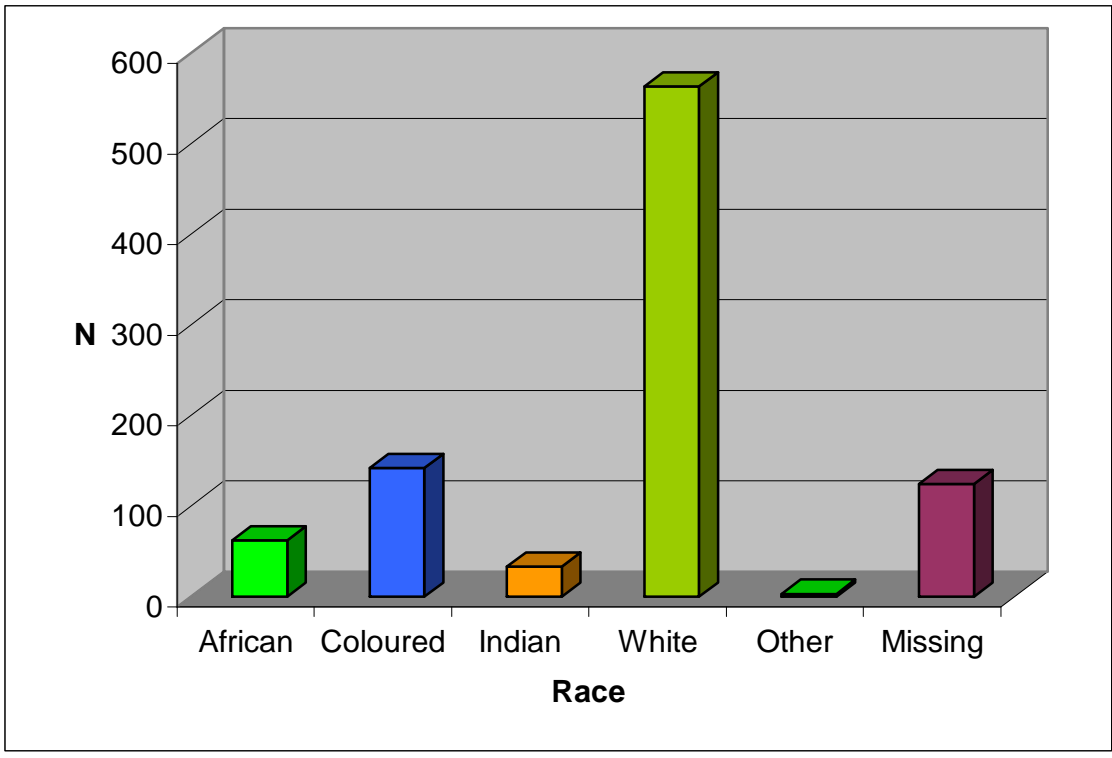
Figure 6.2 Sample split according to race (post-test)

6.1.3 Gender

Figure 6.3 shows the gender distribution of the sample for the pre-test measurement and indicates that 58,21 % of the respondents were female while 41,79% of the respondents were male.
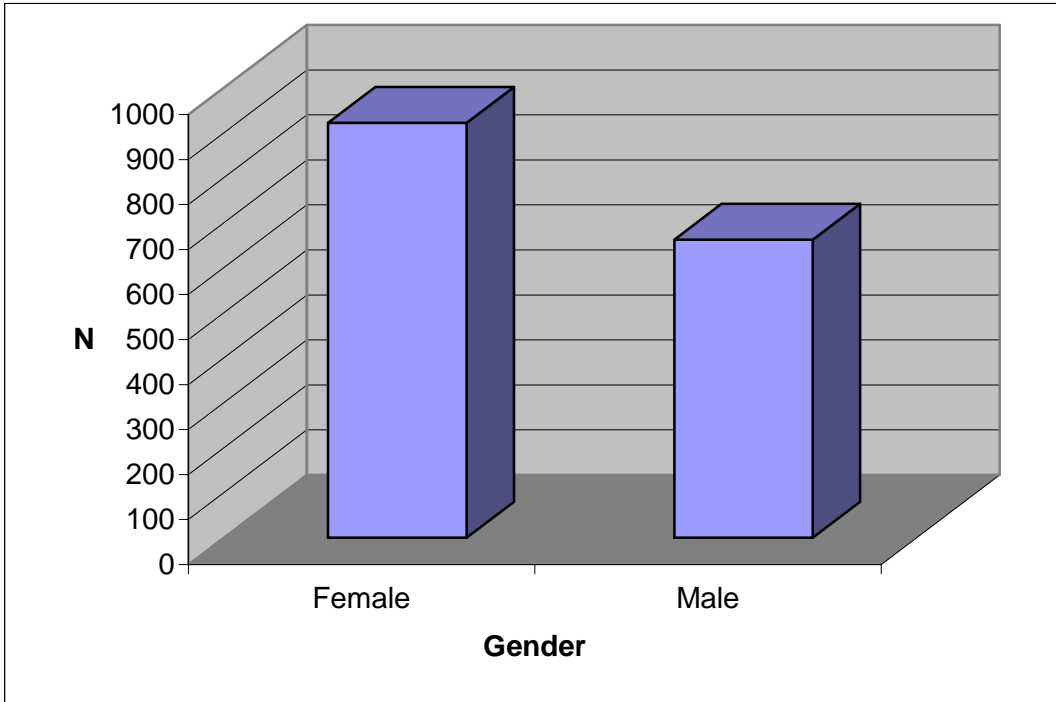
Figure 6.3 Gender distribution (pre-test)

Figure 6.4 shows the gender distribution for the post-test measurement and indicates that 61,70% of the respondents were female while 38,30% were male.
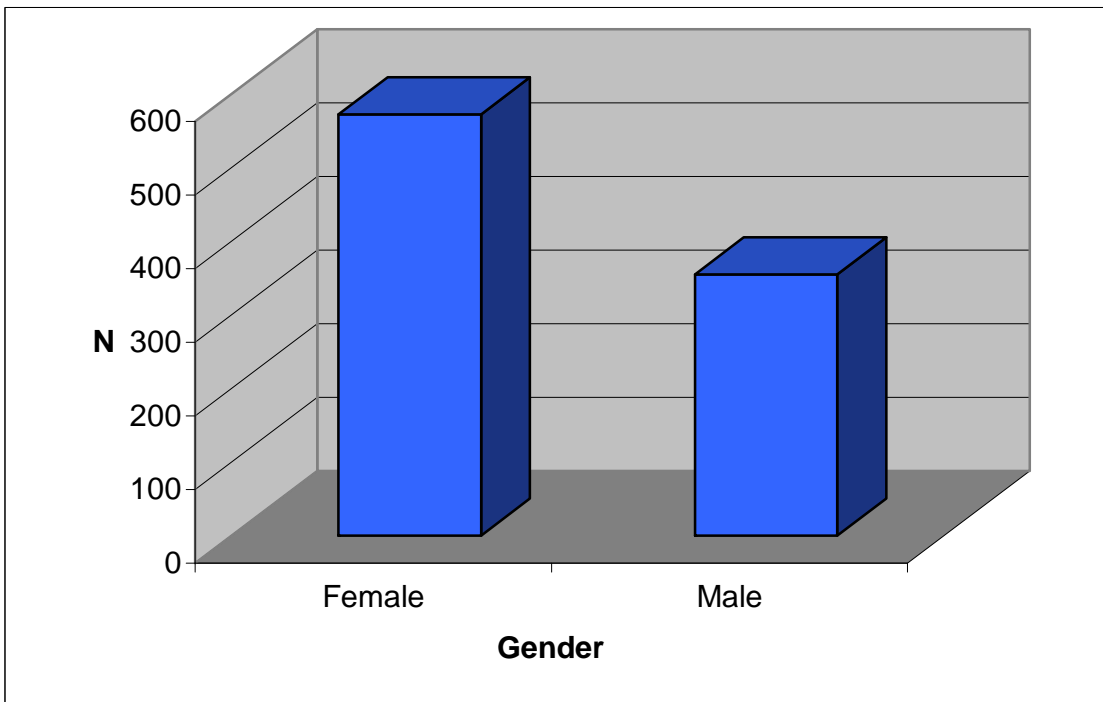
Figure 6.4 Gender distribution (post-test)

The distribution between male and female is representative of the current overall biographical breakdown of the organisation.

6.2 RELIABILITY OF THE CCQ LITE

An assessment instrument's internal reliability, which is usually expressed as a Cronbach alpha coefficient, is the degree to which each item in a scale correlates with each other item. The Cronbach alpha coefficient has a range of 0-1, where 0 indicates no internal consistency and 1 indicates the maximum internal consistency (Terre Blanche & Durrheim, 1999).

According to Roos (2005) an instrument with a reliability coefficient of approximately 0.60 can provide useful information, provided the test results are interpreted with the requisite care and expertise. It is also recommended that there should be at least six to eight items per scale for the calculation of a Cronbach alpha. The CCQLite however only has three items per scale and must be taken into account with the interpretation of the results.

The internal reliability of the CCQ Lite scales is given in Table 6.5 below. Most of the reliability coefficients were acceptable to high, except for low reliabilities recorded for Concern for quantity and Commercial orientation in the Performance domain, and Degree of formalisation in the Decision-making domain. Reliabilities across the scales within the four domains ranged from 0,35 to 0,77 for the Performance domain, 0,72 to 0,78 for the Human Resources domain, 0,38 to 0,77 for the Decision-making domain and 0,66 to 0,81 for the Relationships domain. The reliability coefficients for the dimensions Concern for quality (0,35), Commercial orientation (0,38) and Degree of formalisation (0,38) were low, which should be taken into account with the interpretation of the data.

TABLE 6.5

RELIABILITY OF THE CCQ LITE SCALES

CCQ Lite dimensions	Valid N	Cronbach Alpha
Performance domain		
Concern for quantity	2511	0,35
Concern for quality	2511	0,62
Use of new equipment	2511	0,70
Encouragement of creativity	2511	0,77
Customer orientation	2511	0,76
Commercial orientation	2511	0,38
Human resources domain		
Concern for employees	2511	0,74
Job involvement	2511	0,75
Concern for career development	2511	0,75
Emphasis on performance related rewards	2511	0,78
Concern for equal opportunities	2511	0,72
Decision-making domain		
Degree of formalisation	2511	0,38
Employee influence on decisions	2511	0,77
Decision-making effectiveness	2511	0,69
Concern for the longer term	2511	0,77
Relationships domain		
Vertical relations between groups	2511	0,66
Lateral relations between groups	2511	0,69
Interpersonal cooperation	2511	0,81
Communication effectiveness	2511	0,74
Awareness of organisational goals	2511	0,68

6.3 ORGANISATIONAL CULTURE PROFILE

The overall organisational culture results for the research organisation will be discussed firstly followed by a discussion of the results per business unit. Lastly a summary with a discussion of the results will be given.

6.3.1 Overall Results

Table 6.6 illustrates the descriptive statistics of each of the 20 scales obtained from the Corporate Culture Lite Questionnaire for the overall organisation.

TABLE 6.6

ORGANISATIONAL CULTURE PROFILE FOR THE OVERALL ORGANISATION

CCQ Lite dimensions	Pre-test N = 1584		Post-test N = 927	
	Mean	Std.Dev.	Mean	Std.Dev.
Performance domain				
Concern for quantity	6,85	1,38	6,87	1,50
Concern for quality	6,78	1,56	7,11	1,50
Use of new equipment	6,36	1,58	6,74	1,61
Encouragement of creativity	7,01	1,76	7,44	1,70
Customer orientation	7,23	1,99	7,86	1,54
Commercial orientation	7,44	1,61	7,62	1,63
Human resources domain				
Concern for employee	6,60	1,87	7,24	1,60
Job involvement	7,00	1,94	7,55	1,77
Concern for career development	7,20	2,03	7,66	1,97
Emphasis on performance related rewards	6,71	2,00	7,13	1,98
Concern for equal opportunities	5,82	1,98	5,97	1,95
Decision-making domain				
Degree of formalisation	6,49	1,68	6,51	1,71
Employee influence on decisions	6,97	2,05	7,15	2,05
Decision-making effectiveness	7,28	2,01	7,45	2,03
Concern for the longer term	7,11	2,08	7,72	1,81
Relationships domain				
Vertical relations between groups	6,30	1,79	6,48	1,80
Lateral relations between groups	6,09	1,82	6,21	1,90
Interpersonal cooperation	6,68	2,02	7,08	1,95
Communication effectiveness	7,64	2,04	7,74	1,99
Awareness of organisational goals	7,16	1,48	7,54	1,40

For the pre-test measurement of organisational culture the results showed little variance in responses between the different scales with the majority of ratings cluster between scores of 6 and 7 that indicate that the respondents held similar views or only slightly different views to other organisations. The sten scores in the Performance domain ranged from 6,36 to 7,44, those in the Human resources domain ranged from 5,82 to 7,20, those in the Decision-making domain ranged from 6,49 to 7,28 and those in the Relationships domain from 6,09 to 7,64. The lowest score was recorded for Concern for equal opportunities (5,82) while the highest score was for Communication effectiveness (7,64).

There was one scale with a score below 6 namely Concern for equal opportunities (5,82). This was also the lowest score for the overall organisation and could indicate that this specific organisation is not perceived to place as much emphasis on this area than on the others areas. The score of 5,82 is however still considered to be similar to that of most other organisations. The highest score was obtained on the scale Communication effectiveness (7,64) and was also the highest score for the Relationship domain. This can indicate that although the organisation is attempting to keep all employees informed in terms of formal communications, they still need to improve on the relationships both vertical and horizontal.

For the post-test measurement of organisational culture no low scores were recorded on any of the scales measured by the CCQLite and the majority of ratings were also clustered between scores of 6 and 7. The sten scores in the Performance domain ranged from 6,87 to 7,86, those in the Human resources domain ranged from 5,97 to 7,66, those in the Decision-making domain ranged from 6,51 to 7,72 and those in the Relationships domain from 6,21 to 7,74. The lowest score was once again recorded for Concern for equal opportunities (5,97) while the highest scores were for Customer orientation (7,86), Communication effectiveness (7,74) and Concern for the longer term (7,72). The organisation at this stage entered a period of change and the high score for Concern for the longer term could be linked to this focus. Customer orientation, also scoring high, could also be linked to the period of change, as it is crucial to keep existing business while adapting to changing

circumstances. Communication effectiveness as with the pre-test is an area where the organisation focused on in terms of keeping staff informed.

When comparing the two measurements there was an improvement in every scale of the CCQ Lite from the pre-test to the post-test with the biggest (positive) difference recorded for Customer orientation (0,63) and Concern for employees (0,64). This may indicate an improvement in the culture for the overall organisation.

The data of the two measurements were then compared using independent t-tests and p-values, to determine any areas of statistical significant differences. When looking at differences between groups it is also important to take into account what the practical significance (Terre Blanche & Durrheim, 1999) of the effect is. In order to do this the **effect size** is used to express the observed difference in standard deviation units. The results of the differences between the pre-test and post-test for the overall organisation are illustrated in table 6.7.

TABLE 6.7

DIFFERENCES BETWEEN PRE-TEST AND POST-TEST MEASUREMENTS FOR THE OVERALL ORGANISATION

CCQ Lite dimension	t-value	p	df	d
Performance domain				
Concern for quantity	-0,42	0,678	2509	0,02
Concern for quality	-5,18	0,000**	2509	0,21
Use of new equipment	-5,81	0,000**	2509	0,24
Encouragement of creativity	-5,91	0,000**	2509	0,24
Customer orientation	-8,31	0,000**	2509	0,34
Commercial orientation	-2,60	0,009**	2509	0,11
Human resources domain				
Concern for employees	-8,73	0,000**	2509	0,36
Job involvement	-7,04	0,000**	2509	0,29
Concern for career development	-5,55	0,000**	2509	0,23
Emphasis on performance related rewards	-5,07	0,000**	2509	0,21
Concern for equal opportunities	-1,89	0,058	2509	0,08
Decision-making domain				
Degree of formalisation	-0,17	0,863	2509	0,01
Employee influence on decisions	-2,03	0,042*	2509	0,08
Decision-making effectiveness	-1,97	0,049*	2509	0,08
Concern for the longer term	-7,42	0,000**	2509	0,30
Relationships domain				
Vertical relations between groups	-2,41	0,016*	2509	0,10
Lateral relations between groups	-1,62	0,106	2509	0,07
Interpersonal cooperation	-4,87	0,000**	2509	0,20
Communication effectiveness	-1,23	0,220	2509	0,05
Awareness of organisational goals	-6,40	0,000**	2509	0,26

* Statistical significant difference on the 0,05 level

** Statistical significant difference on the 0,01 level

Only five of the 20 t-tests did not result in statistical significant mean differences between the pre-test and post-test measurement. These were Concern for quantity, Concern for equal opportunities, Degree of formalisation, Lateral relations between groups and Communication effectiveness. The rest of the 15 t-tests resulted in statistical significant mean differences between the pre-test and post-test at either the 0,01 or 0,05 level (as indicated in table 6.7).

Although 15 of the scales showed a statistical significant mean difference between the pre-test and post-test results the d-values on all the scales were smaller than 0,5 and thus there is only a very small to small difference between the pre-test and the post-test results and therefore it can be said that there were no practical significant differences. It can therefore be deduced that giving detailed feedback on the results of the first culture measurement did not have a significant impact on the improvement of culture of the organisation as a whole. The analysis of variance test (ANOVA) was performed and confirmed the results obtained from the above tests.

6.3.2 Results per Business Unit

The descriptive statistics of each of the 20 scales obtained from the Corporate Culture Lite Questionnaire will now be discussed per business unit.

6.3.2.1   Broker services

The descriptive statistics of each of the 20 scales for **Broker services** are given below in table 6.8.

TABLE 6.8

ORGANISATIONAL CULTURE PROFILE FOR BROKER SERVICES

CCQ Lite dimensions	2003 N = 350		2005 N = 251	
	Mean	Std.Dev.	Mean	Std.Dev.
Performance domain				
Concern for quantity	6,85	1,43	6,77	1,50
Concern for quality	6,09	1,73	6,93	1,48
Use of new equipment	6,10	1,59	6,96	1,52
Encouragement of creativity	6,57	1,80	7,81	1,50
Customer orientation	6,07	2,36	7,65	1,66
Commercial orientation	7,55	1,57	7,83	1,60
Human resources domain				
Concern for employees	6,09	2,00	7,44	1,33
Job involvement	6,44	1,97	7,79	1,72
Concern for career development	6,81	2,04	8,26	1,67
Emphasis on performance related rewards	6,23	1,97	7,33	1,90
Concern for equal opportunities	5,51	2,09	5,96	1,96
Decision-making domain				
Degree of formalisation	6,35	1,84	6,30	1,75
Employee influence on decisions	6,79	2,09	7,71	1,77
Decision-making effectiveness	6,81	2,12	7,69	1,87
Concern for the longer term	6,56	2,23	7,83	1,71
Relationships domain				
Vertical relations between groups	6,17	1,86	6,79	1,58
Lateral relations between groups	5,51	1,92	6,24	1,73
Interpersonal cooperation	6,09	2,15	7,22	1,91
Communication effectiveness	7,27	2,16	8,12	1,83
Awareness of organisational goals	6,71	1,68	7,80	1,33

For the pre-test measurement of organisational culture for the business unit Broker Services no low scores were recorded on any of the scales measured by the CCQ Lite and most of the scales were rated as 6. The sten scores in the Performance domain ranged from 6,07 to 7,55, those in the Human resources domain ranged from 5,51 to 6,81, those in the Decision-making domain from 6,35 to 6,81 and those in the Relationships domain from 5,51 to 7,27. The lowest scores were recorded for Concern for equal opportunities (5,51) and Lateral relations between groups (5,51) while the highest score was for Commercial orientation (7,55).

The only two scales that were rated as 7 were Commercial orientation (7,55) and Communication effectiveness (7,27). Broker Services is a profit driven business unit and therefore it is in line with their business that their highest score will be Commercial orientation. It is however important to take into account the low reliability coefficient that was obtained for Commercial orientation (0,38). Communication effectiveness is in line with the overall organisation as there is a big emphasis on communication and keeping people informed in the organisation.

There were two scores that were lower than 6, namely Concern for equal opportunities (5,51) and Lateral relations between groups (5,51). As with the overall organisation, the lower score for Concern for equal opportunities could indicate that this specific organisation is not perceived to place as much emphasis on this area than on the others although the score of 5,51 is still considered to be similar to most other organisations. Lateral relations between groups is an indication of the quality of relationships between groups. In the context of this specific business unit this may indicate conflict between Broker services and some of the other business units as Broker services are considered to be the 'face' of the organization and are also dependent on some other business units for support in terms of servicing their clients.

For the post-test measurement of organisational culture for the business unit Broker services no low scores were recorded on any of the scales, with scores ranging between 5 and 8. The sten scores in the Performance domain ranged from 6,77 to 7,83, those in the Human resources domain ranged from 5,96 to 8,26, those in the

Decision-making domain ranged from 6,30 to 7,83 and those in the Relationships domain from 6,24 to 8,12. The lowest score was recorded for Concern for equal opportunities (5,96) while the highest scores were for Concern for career development (8,26) and Communication effectiveness (8,12).

Concern for equal opportunities was once again the lowest score overall on all the scales on 5,96, still pointing to the perceived lack of emphasis on this area. There were however from this measurement two areas with scores above 8 namely Concern for career development (8,26) and Communication effectiveness (8,12). The high score on Concern for career development could be an indication of the focus the organisation places on development of their staff (specifically referring to formal training) as well as the policy of advertising all vacancies internally first and thereby giving staff the opportunity to further their careers. Communication effectiveness is in line with the overall organisation as there is a big emphasis on communication and keeping people informed in the organisation.

Most of the scales measured by the CCQLite improved from the pre-test to the post-test with the exception of Concern for quantity (-0,09) and Degree of formalisation (-0,05) that decreased only slighty. The biggest positive differences between the pre-test and post-test were on the scales Customer orientation (1,58) and Concern for career development (1,44). This may indicate an improvement in the culture for the overall organisation.

The data of the two measurements were then compared using independent t-tests and p-values, to determine any areas of statistical significant differences. When looking at differences between groups it is also important to take into account what the practical significance (Terre Blanche & Durrheim, 1999) of the effect is. In order to do this the **effect size** is used to express the observed difference in standard deviation units. The results of the t-tests and effect size for Broker Services are illustrated in table 6.9.

TABLE 6.9

DIFFERENCES BETWEEN PRE-TEST AND POST-TEST MEASUREMENTS FOR
BROKER SERVICES

CCQ Lite dimensions	t-value	p	df	d
Performance domain				
Concern for quantity	0,71	0,480	599	-0,06
Concern for quality	-6,27	0,000**	599	0,50
Use of new equipment	-6,64	0,000**	599	0,53
Encouragement of creativity	-8,90	0,000**	599	0,69
Customer orientation	-9,09	0,000**	599	0,71
Commercial orientation	-2,20	0,029*	599	0,18
Human resources domain				
Concern for employees	-9,29	0,000**	599	0,72
Job involvement	-8,71	0,000**	599	0,68
Concern for career development	-9,22	0,000**	599	0,71
Emphasis on performance related rewards	-6,84	0,000**	599	0,55
Concern for equal opportunities	-2,70	0,007**	599	0,22
Decision-making domain				
Degree of formalisation	0,31	0,754	599	-0,03
Employee influence on decisions	-5,66	0,000**	599	0,46
Decision-making effectiveness	-5,21	0,000**	599	0,42
Concern for the longer term	-7,57	0,000**	599	0,60
Relationships domain				
Vertical relations between groups	-4,33	0,000**	599	0,35
Lateral relations between groups	-4,85	0,000**	599	0,39
Interpersonal cooperation	-6,61	0,000**	599	0,53
Communication effectiveness	-5,05	0,000**	599	0,41
Awareness of organisational goals	-8,53	0,000**	599	0,67

* Statistical significant difference on the 0,05 level

** Statistical significant difference on the 0,01 level

All of the t-test, with the exception of Concern for quantity and Degree of formalisation, resulted in statistical significant mean differences between the pre-test and post-test measurement at either the 0,01 or 0,05 level (as indicated in table 6.6).

The following scales also showed a practical significant difference, with the effect sizes larger than 0,2 but smaller than 0,8, which can be classified as a medium effect on each of the scales:

- Concern for quality (d=0,50)
- Use of new equipment (d=0,53)
- Encouragement of creativity (d=0,69)
- Customer orientation (d=0,71)
- Concern for employees (d=0,72)
- Job involvement (d=0,68)
- Concern for career development (d=0,71)
- Emphasis on performance related rewards (d=0,56)
- Concern for the longer term (d=0,60)
- Interpersonal cooperation (d=0,53)
- Awareness of organisational goals (d=0,67)

Although the effect sizes for Customer orientation (d=0,71), Concern for employees (d=0,72) and Concern for career development (d=0,71) are classified as medium effect it is necessary to note that a large effect size is considered to be $\geq$ 0,8 and therefore these three scales can be considered to be close to a large effect.

The overall culture in Broker Services as a business unit thus improved as there was a practical significant difference between the results of the pre-test and that of the post-test measurement. It can therefore be deduced that giving detailed feedback on the results of the first culture measurement did have an impact on the improvement of culture of Broker Services.

6.3.2.2 Business support services

The descriptive statistics of each of the 20 scales for Business support services are given below in table 6.10.

TABLE 6.10

ORGANISATIONAL CULTURE PROFILE FOR BUSINESS SUPPORT SERVICES

CCQ Lite dimensions	2003 N = 247		2005 N = 221	
	Mean	**Std.Dev.**	**Mean**	**Std.Dev.**
Performance domain				
Concern for quantity	6,92	1,35	7,02	1,43
Concern for quality	7,38	1,29	7,65	1,37
Use of new equipment	6,62	1,44	6,91	1,39
Encouragement of creativity	7,58	1,71	7,49	1,67
Customer orientation	7,72	1,57	7,96	1,39
Commercial orientation	7,58	1,61	7,56	1,67
Human resources domain				
Concern for employees	6,95	1,78	7,35	1,63
Job involvement	7,66	1,76	7,81	1,72
Concern for career development	7,79	1,79	7,97	1,90
Emphasis on performance related rewards	7,04	1,96	7,34	2,03
Concern for equal opportunities	6,15	1,94	6,20	1,89
Decision-making domain				
Degree of formalisation	6,54	1,64	6,64	1,68
Employee influence on decisions	7,43	1,93	7,27	2,03
Decision-making effectiveness	7,72	1,89	7,67	1,96
Concern for the longer term	7,55	1,98	8,10	1,74
Relationships domain				
Vertical relations between groups	6,68	1,67	6,47	1,85
Lateral relations between groups	6,58	1,74	6,35	1,94
Interpersonal cooperation	7,23	1,89	7,26	1,97
Communication effectiveness	8,07	1,94	7,95	2,09
Awareness of organisational goals	7,62	1,29	7,70	1,49

For the pre-test measurement of organisational culture for the business unit Business support services no low scores were recorded on any of the scales measured by the CCQ Lite. The sten scores in the Performance domain ranged from 6,62 to 7,72, those in the Human resources domain ranged from 6,15 to 7,79, those in the Decision-making domain from 6,54 to 7,72 and those in the Relationships domain from 6,58 to 8,07.

The lowest scores were recorded for Concern for equal opportunities (6,15) and could indicate that this specific organisation is not perceived to place as much emphasis on this area than on the others although the score of 6,15 is considered to be similar to most other organisations. The highest score was for Communication effectiveness (8,07) and is, similar to the overall organisation, an indication that the organisation attempts to keep all employees informed.

For the post-test measurement of organisational culture for the business unit Business support services no low scores were recorded on any of the scales. The sten scores in the Performance domain ranged from 6,91 to 7,96, those in the Human resources domain ranged from 6,20 to 7,97, those in the Decision-making domain ranged from 6,64 to 8,10 and those in the Relationships domain from 6,35 to 7,95. The lowest score was once again recorded for Concern for equal opportunities (6,20) while the highest score was for Concern for the longer term (8,10) that could be an indication of the emphasis the organisation placed on change during this period.

Most of the scales improved from the pre-test to the post-test measurement but there was however a decrease (albeit small) on some of the scales. The biggest improvement was on Emphasis on performance related rewards (0,30).

The data of the two measurements were then compared using independent t-tests and p-values, to determine any areas of statistical significant differences. When looking at differences between groups it is also important to take into account what the practical significance (Terre Blanche & Durrheim, 1999) of the effect is. In order to do this the **effect size** is used to express the observed difference in standard

deviation units. The results of the t-tests and effect size for Business Support Services are illustrated in table 6.11.

TABLE 6.11

DIFFERENCES BETWEEN PRE-TEST AND POST-TEST MEASUREMENTS FOR BUSINESS SUPPORT SERVICES

CCQ Lite dimensions	t-value	p	df	d
Performance domain				
Concern for quantity	-0,77	0,440	466	0,07
Concern for quality	-2,17	0,031*	466	0,20
Use of new equipment	-2,18	0,029*	466	0,20
Encouragement of creativity	0,55	0,585	466	-0,05
Customer orientation	-1,70	0,089	466	0,16
Commercial orientation	0,14	0,885	466	-0,01
Human resources domain				
Concern for employees	-2,56	0,011*	466	0,24
Job involvement	-0,96	0,339	466	0,09
Concern for career development	-1,05	0,295	466	0,10
Emphasis on performance related rewards	-1,65	0,100	466	0,15
Concern for equal opportunities	-0,25	0,799	466	0,02
Decision-making domain				
Degree of formalisation	-0,65	0,518	466	0,06
Employee influence on decisions	0,88	0,378	466	-0,08
Decision-making effectiveness	0,31	0,755	466	-0,03
Concern for the longer term	-3,20	0,001**	466	0,29
Relationships domain				
Vertical relations between groups	1,29	0,197	466	-0,12
Lateral relations between groups	1,38	0,168	466	-0,13
Interpersonal cooperation	-0,15	0,879	466	0,01
Communication effectiveness	0,64	0,525	466	-0,06
Awareness of organisational goals	-0,63	0,527	466	0,06

* Statistical significant difference on the 0,05 level

** Statistical significant difference on the 0,01 level

Four of the t-tests resulted in statistical significant mean differences between the pre-test and post-test measurement. These were Concern for quality (0,05 level), Use of new equipment (0,05 level), Concern for employees (0,5 level) and Concern for the longer term (0,1 level).

Although four of the scales showed a statistical significant mean difference between the pre-test and post-test results the d-values on all the scales were smaller than 0,5 and thus there is only a very small to small difference between the pre-test and the post-test results and therefore it can be said that there was no practical significant differences between the pre-test and post-test measurement. It can therefore be deduced that giving detailed feedback on the results of the first culture measurement did not have an impact on the improvement of culture of the business unit Business Support Services. It is important to note that the scores for the pre-test were quite high (ranging from 6,54 to 8,06) and thus the possibility to still improve on it would be low.

6.3.2.3   Call centres

The descriptive statistics of each of the 20 scales for Call centres are given below in table 6.12.

TABLE 6.12

ORGANISATIONAL CULTURE PROFILE FOR CALL CENTRES

CCQ Lite dimensions	2003 N = 160		2005 N = 67	
	Mean	Std.Dev.	Mean	Std.Dev.
Performance domain				
Concern for quantity	7,19	1,34	7,07	1,41
Concern for quality	6,99	1,49	6,67	1,74
Use of new equipment	6,34	1,81	6,01	1,89
Encouragement of creativity	6,91	1,87	6,70	2,06
Customer orientation	7,48	1,85	7,43	1,68
Commercial orientation	7,43	1,65	7,46	1,65
Human resources domain				
Concern for employees	7,13	1,69	6,73	1,87
Job involvement	6,78	2,07	6,58	1,86
Concern for career development	7,62	1,78	6,10	2,15
Emphasis on performance related rewards	7,36	1,71	6,60	1,99
Concern for equal opportunities	6,59	1,75	6,04	1,89
Decision-making domain				
Degree of formalisation	6,55	1,64	6,72	1,62
Employee influence on decisions	6,62	2,00	5,96	1,97
Decision-making effectiveness	6,97	2,20	6,88	2,08
Concern for the longer term	7,03	2,14	6,96	2,10
Relationships domain				
Vertical relations between groups	6,01	2,00	5,45	2,07
Lateral relations between groups	6,31	1,92	5,97	1,94
Interpersonal cooperation	6,64	2,01	6,75	1,97
Communication effectiveness	7,48	2,12	6,91	1,88
Awareness of organisational goals	7,15	1,53	6,99	1.45

For the pre-test measurement of organisational culture for the business unit Call centres no low scores were recorded on any of the scales measured by the CCQLite with the sten scores across all four domains ranging from 6,01 to 7,62. The sten scores in the Performance domain ranged from 6,34 to 7,48, those in the Human resources domain ranged from 6,59 to 7,62, those in the Decision-making domain from 6,55 to 7,03 and those in the Relationships domain from 6,01 to 7,48. The lowest score was recorded for Vertical relations between groups (6,01) which are considered to be similar to most other organisations. The highest score was for Concern for career development (7,62) which could be an indication of the emphasis that is placed on development of staff in this business unit. This business unit was seen in the organisation as an excellent starting ground for new employees before they moved to other parts of the business.

For the post-test measurement of organisational culture for the business unit Call centres no low scores were recorded on any of the scales with the sten scores across all four domains ranging from 5,45 to 7,46. The sten scores in the Performance domain ranged from 6,01 to 7,46, those in the Human resources domain ranged from 6,04 to 6,73, those in the Decision-making domain ranged from 5,96 to 6,96 and those in the Relationships domain from 5,45 to 6,99. The lowest scores were recorded for Concern for vertical relations between groups (5,45) and Lateral relations between groups (5,97). Although these scores are still considered to be similar to most organisations it could indicate conflict between management and other groups as well as between this business unit and other business units. The highest scores were for Commercial orientation (7,46) and Customer orientation (7,43) indicating the emphasis placed on meeting targets (and keeping calls as short as possible) while still delivering excellent client service.

Most of the scales decreased from the pre-test measurement to the post-test measurement, with the exception of two, namely Degree of formalisation and Interpersonal cooperation. It is however important to take into account the low reliability coefficient that was obtained for Degree of formalisation (0,38) with the interpretation of this score. A possible explanation for the lower score on the post-test could be how the employees perceived the feedback session. According to Blanchard (1998) feedback can have either a negative or positive effect depending

on how it is delivered. Reactions to feedback differ from person to person as feedback can arouse all sorts of feelings such as anxiety, fear, shame and satisfaction (Blanchard, 1998). All these reactions to feedback are forms of resistance and are used to shift the focus away from the individual to those giving the feedback, the medium or the instrument. This might lead to resistance from employees when they have to complete a similar survey in the future, to either complete the survey in a more negative light or to even choose not to participate in the study at all.

The data of the two measurements were then compared using independent t-tests and p-values, to determine any areas of statistical significant differences. When looking at differences between groups it is also important to take into account what the practical significance (Terre Blanche & Durrheim, 1999) of the effect is. In order to do this the **effect size** is used to express the observed difference in standard deviation units. The results of the differences between the pre-test and post-test for the Call Centres are illustrated in table 6.13.

TABLE 6.13

DIFFERENCES BETWEEN THE PRE-TEST AND POST-TEST MEASUREMENTS
FOR CALL CENTRES

CCQlite dimensions	t-value	p	df	d
Performance domain				
Concern for quantity	0,57	0,569	225	-0,08
Concern for quality	1,42	0,158	225	-0,21
Use of new equipment	1,21	0,229	225	-0,18
Encouragement of creativity	0,75	0,452	225	-0,11
Customer orientation	0,18	0,854	225	-0,03
Commercial orientation	-0,13	0,896	225	0,02
Human resources domain				
Concern for employees	1,55	0,122	225	-0,23
Job involvement	0,66	0,510	225	-0,10
Concern for career development	5,48	0,000**	225	-0,75
Emphasis on performance related rewards	2,91	0,004**	225	-0,42
Concern for equal opportunities	2,08	0,039*	225	-0,30
Decision-making domain				
Degree of formalisation	-0,70	0,485	225	0,10
Employee influence on decisions	2,29	0,023*	225	-0,33
Decision-making effectiveness	0,28	0,780	225	-0,04
Concern for the longer term	0,25	0,806	225	-0,04
Relationships domain				
Vertical relations between groups	1,92	0,056	225	-0,28
Lateral relations between groups	1,20	0,231	225	-0,17
Interpersonal cooperation	-0,35	0,725	225	0,05
Communication effectiveness	1,91	0,057	225	-0,28
Awareness of organisational goals	0,75	0,452	225	-0,11

    * Statistical significant difference on the 0,05 level

    ** Statistical significant difference on the 0,01 level

Four of the t-tests resulted in statistical significant mean differences between the pre-test and post-test measurement. These were Concern for career development (0,01

level), Emphasis on performance related rewards (0,01 level), Concern for equal opportunities (0,05 level) and Employee influence on decisions (0,05 level). When looking at the d-values only Concern for career development resulted in a practical significant difference with an effect size of –0,75, which can be classified as a medium effect.

It can therefore be deduced that giving detailed feedback on the results of the first culture measurement did not have an impact on the improvement of culture of the business unit Call Centres.

6.3.2.4   Specialist portfolios

The descriptive statistics of each of the 20 scales for Specialist portfolios are given below in table 6.14.

TABLE 6.14

ORGANISATIONAL CULTURE PROFILE FOR SPECIALIST PORTFOLIOS

CCQLite dimensions	2003 N =61		2005 N =46	
	Mean	Std.Dev.	Mean	Std.Dev.
Performance domain				
Concern for quantity	5,87	1,69	5,70	1,58
Concern for quality	7,00	1,13	6,93	1,73
Use of new equipment	6,48	1,47	6,63	1,64
Encouragement of creativity	7,31	1,40	7,61	1,83
Customer orientation	7,07	2,01	7,61	1,67
Commercial orientation	8,00	1,45	7,50	1,66
Human resources domain				
Concern for employees	7,11	1,63	7,72	1,39
Job involvement	7,95	1,40	7,87	1,69
Concern for career development	7,39	1,94	7,80	1,82
Emphasis on performance related rewards	7,49	1,62	7,37	2,09
Concern for equal opportunities	5,98	1,89	5,98	2,08
Decision-making domain				
Degree of formalisation	6,15	1,66	6,15	1,84
Employee influence on decisions	8,02	1,58	7,54	2,08
Decision-making effectiveness	8,00	1,75	7,57	2,36
Concern for the longer term	7,80	1,73	7,85	1,74
Relationships domain				
Vertical relations between groups	7,15	1,53	7,17	1,88
Lateral relations between groups	6,70	1,76	6,98	2,08
Interpersonal cooperation	7,66	1,48	7,15	1,83
Communication effectiveness	7,75	2,08	7,35	2,34
Awareness of organisational goals	7,66	1,11	7,33	1,38

For the pre-test measurement of organisational culture for the business unit Specialist Portfolios no low scores were recorded on any of the scales measured by the CCQ Lite. The sten scores in the Performance domain ranged from 5,57 to 8,00,

those in the Human resources domain ranged from 5,98 to 7,96, those in the Decision-making domain from 6,5 to 8,2 and those in the Relationships domain from 6,0 to 7,5. The lowest score was recorded for Concern for quantity (5,87) and can be an indication of the specialist nature of this business unit, dealing mostly with low volumes but high premiums. The highest scores were for Employee influence on decisions (8,02), Commercial orientation (8,00) and Decision-making effectiveness (8,00). The emphasis on Commercial orientation could be an indication of the big focus on profitability in this business unit. It is also a relatively small business unit in terms of staff numbers and due to the specialist nature of the business the staff employed in this business unit need to be very knowledgeable. They therefore work independently, without all the 'red tape' that might be experienced in some of the other business units, explaining the high score on Employee influence on decisions as well as Decision-making effectiveness.

For the post-test measurement of organisational culture for the business unit Specialist portfolios no low scores were recorded on any of the scales. The sten scores in the Performance domain ranged from 5,70 to 7,61, those in the Human resources domain ranged from 5,98 to 7,87, those in the Decision-making domain ranged from 6,15 to 7,85 and those in the Relationships domain from 6,98 to 7,35. The lowest score was, once again, recorded for Concern for quantity (5,70) indicating the specialist nature of this business unit, dealing mostly with low volumes but high premiums. The highest scores were for Job involvement (7,87) and Concern for the longer term (7,85). The higher score on Job involvement can be related to the small population of staff in this business unit. Staff are mostly senior people and specialists and therefore enjoy what they are doing and are motivated to work well.

Unlike the overall organisation, all the scales did not improve from the pre-test to the post-test. There was a decrease (albeit small) in the overall scores on half of the scales and with the other half increasing from the pre-test to the post-test measurement.

The data of the two measurements were then compared using independent t-tests and p-values, to determine any areas of statistical significant differences. When looking at differences between groups it is also important to take into account what

the practical significance (Terre Blanche & Durrheim, 1999) of the effect is. In order to do this the **effect size** is used to express the observed difference in standard deviation units. The results of the t-tests and effect size for Specialist portfolios are illustrated in table 6.15.

TABLE 6.15

DIFFERENCES BETWEEN PRE-TEST AND POST-TEST MEASUREMENTS FOR
SPECIALIST PORTFOLIOS

	t-value	p	df	d
Performance domain				
Concern for quantity	0,54	0,590	105	-0,11
Concern for quality	0,24	0,814	105	-0,05
Use of new equipment	-0,51	0,608	105	0,10
Encouragement of creativity	-0,95	0,343	105	0,19
Customer orientation	-1,49	0,140	105	0,29
Commercial orientation	1,66	0,100	105	-0,32
Human resources domain				
Concern for employees	-2,01	0,047*	105	0,39
Job involvement	0,27	0,786	105	-0,05
Concern for career development	-1,11	0,269	105	0,22
Emphasis on performance related rewards	0,34	0,734	105	-0,07
Concern for equal opportunities	0,01	0,989	105	0,00
Decision-making domain				
Degree of formalisation	-0,01	0,989	105	0,00
Employee influence on decisions	1,34	0,184	105	-0,26
Decision-making effectiveness	1,09	0,277	105	-0,21
Concern for the longer term	-0,13	0,896	105	0,03
Relationships domain				
Vertical relations between groups	-0,08	0,936	105	0,02
Lateral relations between groups	-0,73	0,464	105	0,14
Interpersonal cooperation	1,57	0,118	105	-0,31
Communication effectiveness	0,95	0,345	105	-0,19
Awareness of organisational goals	1,37	0,174	105	-0,27

* Statistical significant difference on the 0,05 level

** Statistical significant difference on the 0,01 level

Only one of the t-tests resulted in statistical significant mean differences between the pre-test and post-test measurement, namely Concern for employees (0,05 level). The effect size for Concern for employees however, was 0,39, which is classified as a small effect. It can therefore be deduced that giving detailed feedback on the results of the first culture measurement did not have an impact on the improvement of culture of the business unit Specialist portfolios.

6.3.2.5   Insurance services

The descriptive statistics of each of the 20 scales for Insurance services are given below in table 6.16.

TABLE 6.16

ORGANISATIONAL CULTURE PROFILE FOR INSURANCE SERVICES

CCQ Lite dimensions	2003 N = 766		2005 N = 342	
	Mean	Std.Dev.	Mean	Std.Dev.
Performance domain				
Concern for quantity	6,83	1,31	6,98	1,47
Concern for quality	6,84	1,49	7,00	1,45
Use of new equipment	6,39	1,56	6,63	1,71
Encouragement of creativity	7,02	1,71	7,25	1,69
Customer orientation	7,55	1,74	8,06	1,46
Commercial orientation	7,31	1,63	7,54	1,63
Human resources domain				
Concern for employees	6,57	1,82	7,05	1,68
Job involvement	7,02	1,90	7,35	1,75
Concern for career development	7,07	2,11	7,30	1,95
Emphasis on performance related rewards	6,62	2,04	6,91	1,95
Concern for equal opportunities	5,68	1,94	5,82	1,98
Decision-making domain				
Degree of formalisation	6,57	1,63	6,58	1,67
Employee influence on decisions	6,90	2,07	6,83	2,12
Decision-making effectiveness	7,37	1,93	7,23	2,08
Concern for the longer term	7,19	1,99	7,53	1,81
Relationships domain				
Vertical relations between groups	6,24	1,72	6,38	1,77
Lateral relations between groups	6,10	1,71	6,05	1,93
Interpersonal cooperation	6,69	1,96	6,92	1,98
Communication effectiveness	7,69	1,96	7,55	1,94
Awareness of organisational goals	7,18	1,40	7,39	1,33

For the pre-test measurement of organisational culture for the business unit Insurance Services no low scores were recorded on any of the scales measured by the CCQ Lite with the sten scores across all four domains ranging from 5,68 to 7,69. The sten scores in the Performance domain ranged from 6,39 to 7,55, those in the Human resources domain ranged from 5,68 to 7,07, those in the Decision-making

domain from 6,57 to 7,37 and those in the Relationships domain from 6,10 to 7,69. There was one scale with a score below 6 namely Concern for equal opportunities (5,68). This was also the lowest score for the overall organisation and could indicate that this specific organisation is not perceived to place as much emphasis on this area than on the others. The score of 5,82 is however still considered to be similar to most other organisations. The highest score was obtained on the scale Communication effectiveness (7,69) and was also the highest score for the Relationship domain. This can indicate that although the organisation is attempting to keep all employees informed in terms of formal communications they still need to improve on the relationships both vertical and horizontal.

For the post-test measurement of organisational culture for the business unit Insurance services no low scores were recorded on any of the scales with the sten scores across all four domains ranging from 5,82 to 8,06. The sten scores in the Performance domain ranged from 6,63 to 8,06, those in the Human resources domain ranged from 5,82 to 7,35, those in the Decision-making domain ranged from 6,58 to 7,53 and those in the Relationships domain from 6,05 to 7,55.

The lowest score was once again recorded for Concern for equal opportunities (5,82) while the highest score was for Customer orientation (7,86), The fact that the organisation entered a period of change at this stage as well as the support nature of the business done in this business unit, a big focus was placed on Customer orientation, as it is crucial to keep existing business while adapting to changing circumstances.

When comparing the two measurements most of the scales improved from the pre-test to the post-test with the exception of three, namely Employee influence on decisions (-0,07), Decision-making effectiveness (-0,14) and Lateral relations between groups (-0,06). The biggest difference between the pre-test and the post-test measurements was recorded for Customer orientation (0,51) and Concern for employees (0,48).

The data of the two measurements were then compared using independent t-tests and p-values, to determine any areas of statistical significant differences. When

looking at differences between groups it is also important to take into account what the practical significance (Terre Blanche & Durrheim, 1999) of the effect is. In order to do this the **effect size** is used to express the observed difference in standard deviation units. The results of the differences between the pre-test and post-test for the overall organisation are illustrated in table 6.17.

TABLE 6.17

DIFFERENCES BETWEEN PRE-TEST AND POST-TEST MEASUREMENTS FOR INSURANCE SERVICES

CCQLite dimensions	t-value	P	Df	d
Performance domain				
Concern for quantity	-1,62	0,105	1106	0,11
Concern for quality	-1,69	0,092	1106	0,11
Use of new equipment	-2,34	0,020*	1106	0,15
Encouragement of creativity	-1,99	0,047*	1106	0,13
Customer orientation	-4,72	0,000**	1106	0,30
Commercial orientation	-2,20	0,028*	1106	0,14
Human resources domain				
Concern for employees	-4,19	0,000**	1106	0,27
Job involvement	-2,74	0,006**	1106	0,18
Concern for career development	-1,66	0,098	1106	0,11
Emphasis on performance related rewards	-2,18	0,030*	1106	0,14
Concern for equal opportunities	-1,11	0,267	1106	0,07
Decision-making domain				
Degree of formalisation	-0,16	0,877	1106	0,01
Employee influence on decisions	0,52	0,602	1106	-0,03
Decision-making effectiveness	1,06	0,290	1106	-0,07
Concern for the longer term	-2,70	0,007**	1106	0,18
Relationships domain				
Vertical relations between groups	-1,19	0,235	1106	0,08
Lateral relations between groups	0,48	0,635	1106	-0,03
Interpersonal cooperation	-1,75	0,081	1106	0,11
Communication effectiveness	1,16	0,245	1106	-0,08
Awareness of organisational goals	-2,39	0,017*	1106	0,16

* Statistical significant difference on the 0,05 level

** Statistical significant difference on the 0,01 level

Nine of the t-tests resulted in statistical significant mean differences between the pre-test and post-test measurement at either the 0,01 or 0,05 level (as indicated in table 6.14), namely:

- Use of new equipment
- Encouragement of creativity
- Customer orientation
- Commercial orientation
- Concern for employees
- Job involvement
- Emphasis on performance related rewards
- Concern for the longer term
- Awareness of organisational goals

Although the above scales showed a statistical significant mean difference between the pre-test and post-test results the d-values on all the scales were smaller than 0,5 and thus there is only a very small to small difference between the pre-test and the post-test results and therefore it can be said that there was no practical significant differences. It can therefore be deduced that giving detailed feedback on the results of the first culture measurement did not have an impact on the improvement of culture of the business unit Insurance Services.

6.3.3 Summary of Results

The results of all the above (overall organisation as well as per business units) are summarised in table 6.18 in terms of areas of statistical significant differences (p-values) and in table 6.19 in terms of areas of practical significant differences of the overall organisation as well as all the different business units.

TABLE 6.18

COMPARISON OF BUSINESS UNITS – AREAS OF STATISTICAL SIGNIFICANT DIFFERENCES (p-values)

CCQLite dimensions	Business units					
	OO*	BS	BSS	CC	SP	IS
Performance domain						
Concern for quantity	√	√	√			
Concern for quality	√	√	√			√
Use of new equipment	√	√				√
Encouragement of creativity	√	√				√
Customer orientation	√	√				√
Commercial orientation						
Human resources domain						
Concern for employees	√	√	√		√	√
Job involvement	√	√				√
Concern for career development	√	√		√		
Emphasis on performance related rewards	√	√		√		√
Concern for equal opportunities		√		√		
Decision-making domain						
Degree of formalisation						
Employee influence on decisions	√	√		√		
Decision-making effectiveness	√	√				
Concern for the longer term	√	√	√			√
Relationships domain						
Vertical relations between groups	√	√				
Lateral relations between groups		√				
Interpersonal cooperation	√	√				
Communication effectiveness		√				
Awareness of organisational goals	√	√				√

*OO = Overall organisation

TABLE 6.19

COMPARISON OF BUSINESS UNITS – AREAS OF PRACTICAL SIGNIFICANT
DIFFERENCES (D-values)

CCQLite dimensions	Business units					
	OO*	BS	BSS	CC	SP	IS
Performance domain						
Concern for quantity						
Concern for quality	√					
Use of new equipment	√					
Encouragement of creativity						
Customer orientation	√					
Commercial orientation						
Human resources domain						
Concern for employees	√					
Job involvement	√					
Concern for career development	√			√		
Emphasis on performance related rewards	√					
Concern for equal opportunities						
Decision-making domain						
Degree of formalisation						
Employee influence on decisions						
Decision-making effectiveness						
Concern for the longer term	√					
Relationships domain						
Vertical relations between groups						
Lateral relations between groups						
Interpersonal cooperation	√					
Communication effectiveness	√					
Awareness of organisational goals						

*OO = Overall organisation

The results from the above summary tables reveal that when comparing the pre-test
and post-test measurements, the overall organisation as well as Broker services

resulted in significant differences on most of the dimensions of the CCQLite, with the overall organisation showing differences on 15 of the 20 dimensions and Broker services showing differences on 18 of the 20 dimensions. Insurance services' measurements resulted in significant differences on nine of the 20 dimensions, with Business support services and Call centres each showing differences on only 4 of the dimensions each. Specialist portfolios' measurements resulted in significant differences on only one of the 20 dimensions.

When looking at the areas of practical significant differences of the measurements of Overall organisation, Business support services, Specialist portfolios as well as Insurance services no differences were recorded. The Call centres' measurements resulted in one area of practical significant difference, namely Concern for career development while Broker Services' measurements resulted in practical significant differences on 10 of the 20 dimensions. These were Concern for quality, Use of new equipment, Customer orientation, Concern for employees, Job involvement, Concern for career development, Emphasis on performance related rewards, Concern for the longer term, Interpersonal cooperation and Communication effectiveness.

There can be many explanations for the above results, with only Broker services showing practical significant differences between the pre-test and the post-test measurement (on some of the dimensions), but it would be impossible to explain these differences with certainty. The following factors could however have influenced the results.

Five Organisation Development consultants, employed by the organisation, facilitated the feedback sessions. Although a standardised process was used during the feedback sessions there could have been differences in terms of the styles and personalities of the different facilitators. This is supported in the literature by Harmon, Brown, Widing and Hammond (2002) who argue that feedback may be important from a psychological point of view with benefits such as reduced tension and increased commitment. They also add that the benefit of feedback greatly depends on how the feedback is delivered.

The different business units are structured differently with Call centres, Insurance services and Business support services functioning on a centralised basis. Broker services on the other hand is decentralised with offices in most of the big towns throughout the country (city as well as rural areas). Specialist portfolios is quite a small area in the organisation with mostly people with specialist knowledge in their respective fields working in this business unit. They also operate mostly from a centralised basis. These differences between how the various business units are structured lead to different management styles employed in the different business units. Employees in the centralised offices (Insurance services, Business support services, Call centres and Specialist portfolios) can have almost daily contact with their immediate supervisors and managers whereas the employees in Broker Services can see their immediate manager sometimes as little as once or twice a month, obviously with variances depending on the specific office the person is employed at. The differences in the type of business conducted in each business unit also have an influence on the type of person (in terms of personality) who works there. These different management styles and personalities could have impacted how the feedback was interpreted and acted upon. According to Blanchard (1998) receiving feedback can lead to different reactions in different people. Feelings such as anxiety, fear, shame and dissatisfaction can be experienced by the people receiving the feedback and need to be managed in the session.

Linked to the different structures and geographical differences between the business units is also the size of the groups receiving the feedback. In the centralised business units the sessions were mostly structured according to functional teams and their supervisors. In Broker services (which functions on a decentralised basis) this was however not always possible. In this business unit the sessions were facilitated per area (which could include various branches). Due to business constraints (offices that can not be closed), all the staff in these teams could not attend the feedback sessions and therefore only representatives from the different branches attended the feedback sessions. According to Harvey and Brown (2006) the survey feedback process is seen as a powerful process for creating changes in an organisation with more favourable results where the organisation involved all the employees.

Another possible explanation could be that employees do not trust the process when completing questionnaires, as questionnaires are used quite extensively, for various reasons, in this particular organisation. This could have impacted how the respondents completed the questionnaire on the one hand but also how they would have reacted towards the feedback. If they do not feel that they get any value from completing the questionnaire, or that nothing changes after they have given their input, they might not have completed the questionnaire in total honesty. This is supported in the literature by Hartley (2001) who argues that there seems to be no benefit from the survey, employees may start to distrust the process that may have negative effects for using surveys in the future. Confidentiality is another important consideration when using surveys. When employees do not believe that the survey is confidential they might not be totally honest in their responses (Hartley, 2001).

From the above it is thus evident that in one business unit (Broker services) there were practical significant differences between the pre-test and the post-test measurement of organisational culture on some of the dimensions and therefore the hypotheses H_0: Feedback has no significant impact on the improvement of organisational culture, has to be rejected because evidence of significant differences was found.

6.4. CHAPTER SUMMARY

The purpose of this chapter was to present the results of the empirical study. This chapter began with a description of the biographic profile of the sample and then presented the reliability of the CCQ Lite. The overall results of the organisational culture profile as well as the culture profile per business unit were then presented, specifically highlighting the differences between the two measurements. Lastly a summary of the results was presented with some possible explanations for these results.

CHAPTER 7

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

The aim of this chapter is to formulate conclusions on the basis of the literature review and the results of the empirical research. The limitations will then be discussed and recommendations for Industrial Psychologists working in the field of organisational culture as well as for further research will be given.

7.1 CONCLUSIONS

The following conclusions are drawn from the literature review as well as the empirical research.

7.1.1 Conclusions Regarding the Literature Review

Conclusions regarding organisational culture as well as feedback, related to the different aims for the research as stated in Chapter one, will now be discussed.

7.1.1.1 First Aim

The first aim, namely to conceptualise the concept organisational culture was achieved in chapter 2 (refer to 2.1). The conclusion can be made that most of the definitions of organisational culture have similarities and consensus that the definition for organisational culture includes the shared values, beliefs and basic assumptions held by organisational members as individuals. For the purpose of this study organisational culture is conceptualised according to Schein's (1992, p.12) definition as: 'a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems'.

Next the importance of organisational culture was discussed and the review of the literature revealed that although organisations try to develop strong cultures, in order

to be competitive and stay relevant in today's turbulent environment, that very same strong culture can be a liability when the culture is no longer relevant. Organisations therefore need to try and achieve a balance between having a strong culture but at the same time remain adaptable and agile.

Some representative models of organisational culture were then discussed and specifically the organisational culture models of Kotter and Hesket (1992), Schein (1985; 2004), Denison (1990) and Goffee and Jones (1998) were explored. The conclusion can be made that some of these models focus on different levels of culture, ranging from observable and easy to change to not easily observable and harder to change, while some models also focus on different aspects of organisational culture (e.g. effectiveness and performance).

The different dimensions of organisational culture were then explored by comparing various literature sources, and it can be concluded that there are no consensus on an exact list of dimensions of organisational culture. The dimensions, relationships, importance of people and teams, outcomes and rewards, decision-making and risk-taking however, seem to be regarded as important dimensions by most of the authors.

With regard to the forming and developing of organisational culture it can be concluded that organisational culture starts with an individual in the role of the founder of the organisation, who has a direct influence on the resulting organisational culture. Organisational culture thus starts with the values, beliefs and assumptions of an individual (the founder of the organisation) that then develop into the shared values, beliefs and assumptions of the group.

7.1.1.2 *Second Aim*

The second aim, namely to conceptualise organisational culture change was achieved in chapter 3. It can firstly be concluded that in order to change an organisation's culture, new sets of appropriate behaviours need to be learned and reinforced while undesired behaviours need to have less positive consequences. For the purpose of this study change was defined as the process whereby the behaviour

of individuals in an organisation is altered in order to adapt to a need or demand from the environment. These changes can be large (transformational) or small (transactional) in nature.

The importance of change was then explored and it is concluded that change is important in the organisational setting firstly because organisations are changing from the so-called 'old' organisations to the new world of work organisations and the associated demands from the workforce. Secondly organisations have to continuously change in order to stay competitive in an ever changing environment with high demands on fast response rates as well as the increasing demands from customers. Lastly the importance of change was evident from a South African perspective and specifically to deal with the challenges in terms of our labour market, namely the change in composition of the workforce and also other challenges such as unemployment and HIV/AIDS.

The models of change of Porras and Silvers (2000), Harvey and Brown (2006), Kurt Lewin (as cited in French & Bell, 1999), Lundberg (as cited in Brown, 1998), Dyer (as cited in Brown, 1998), Schein (2004), Burke-Litwin (as cited in French & Bell, 1999) and Phelan (2005) were explored and it can be concluded that a sense of urgency needs to be created for people to understand the need for change as well as the importance of leadership in the changing of organisational culture.

A framework for successful organisational culture change was proposed and it can be concluded that the leaders in an organisation play a crucial role in any organisational change effort as well as factors such as communication, workplace practices, trust in management and between teams and the existence of subcultures.

7.1.1.3   Third Aim

The third aim, namely to conceptualise feedback was achieved in chapter 4 (refer to 4.1). Feedback was defined from the perspective of the individual, as well as from the perspective of a group that is linked to an organisational change programme. The importance of feedback was then discussed and it can be concluded that feedback is an important part of the communication process but also that there are

definite benefits for the individual as well as the organisation. For feedback to be effective it is however crucial that the person giving the feedback must pay attention to how it is conveyed and ensure that this process is optimised. The importance of taking into account that different people have different reactions to feedback was also highlighted by the literature review on feedback. The person giving the feedback thus needs to be aware of the typical reactions and manage these to try and minimise people's resistance to the feedback.

Furthermore, the models of feedback were also discussed on the individual level, group level as well as the organisational level. The conclusion can be made that feedback can occur on many levels. From the individual's perspective feedback is important in terms of self-development with the prerequisite that the individual is willing to invite and accept such feedback. The rise in the use of groups in organisations led to a greater emphasis being placed on feedback from the perspective of the group level. Both feedback from the individual and group perspective can be linked to the feedback from the perspective of organisational development as people who are willing to communicate openly will be more willing to inform change rather than resist it.

7.1.1.4 *Fourth Aim*

The fourth aim, namely to theoretically determine the impact of feedback on the changing of organisational culture was achieved at the end of chapter 4 (refer to 4.5). It was concluded that effective feedback can have a positive effect (or improvement) on individual behaviour as well as group and organisational behaviour and can therefore lead to an improvement in organisational culture under certain conditions. These conditions included a clear business case, engagement of stakeholders, dealing with resistance to change, effective communication, the role of the leaders, the existence of multiple cultures and being supported by workplace practices.

7.1.2 Conclusions Regarding the Empirical Study

Conclusions will be drawn about the impact of feedback on the improvement of organisational culture with specific reference to the results of the empirical investigation that was conducted.

7.1.2.1 First Aim

The first aim, namely to determine the nature of the organisational culture in a South African financial institution, as a pre-test, was achieved in chapter 6. The Corporate Culture Lite Questionnaire was used to gather information on the culture profile of the overall organisation as well as five of the business units in the organisation. The results of the survey were presented in chapter 6 (refer to 6.2). The results showed little variance in responses between the different scales which indicates that the respondents held similar views to other organisations or only slightly different views to other organisations.

The lowest score for the overall organisation, Concern for equal opportunities, could indicate that this specific organisation is not perceived to place as much emphasis on this area than on the others areas, although this score is however still considered to be similar to most other organisations. The highest score was obtained on the scale Communication effectiveness and was also the highest score for the Relationship domain. This can indicate that although the organisation is attempting to keep all employees informed, in terms of formal communications, they still need to improve on the relationships both vertically and horizontally.

For the business unit Broker services the highest scores were for Commercial orientation and Communication effectiveness. Broker services is a profit driven business unit and therefore it is in line with their business that their highest score will be Commercial orientation. Communication effectiveness is in line with the overall organisation as there is a big emphasis on communication and keeping people informed in the organisation. The two lowest scores for Broker services were Concern for equal opportunities and Lateral relations between groups. As with the overall organisation, the lower score for Concern for equal opportunities could

indicate that this specific organisation is not perceived to place as much emphasis on this area than on the others although this score is still considered to be similar to most other organisations. Lateral relations between groups are an indication of the quality of relationships between groups. In the context of this specific business unit this may indicate conflict between Broker services and some of the other business units as Broker Services are considered to be the 'face' of the organisation and are also dependent on some other business units for support in terms of servicing their clients.

For the business unit Business support services the lowest scores were recorded for Concern for equal opportunities and could indicate that this specific organisation is not perceived to place as much emphasis on this area than on the others although this score is considered to be similar to most other organisations. The highest score was for Communication effectiveness and is, similar to the overall organisation, an indication that the organisation attempts to keep all employees informed.

For the business unit Call centres the lowest score was recorded for Vertical relations between groups that are considered to be similar to most other organisations. The highest score was for Concern for career development that could be an indication of the emphasis that is placed on development of staff in this business unit. This business unit was seen in the organisation as an excellent starting ground for new employees before they moved to other parts of the business.

For the business unit Specialist portfolios the lowest score was recorded for Concern for quantity and can be an indication of the specialist nature of this business unit, dealing mostly with low volumes but high premiums. The highest scores were for Employee influence on decisions, Commercial orientation and Decision-making effectiveness. The emphasis on Commercial orientation could be an indication of the big focus on profitability in this business unit. It is also a relatively small business unit in terms of staff numbers and due to the specialist nature of the business the staff employed in this business unit need to be very knowledgeable. They therefore work independently, without all the 'red tape' that might be experienced in some of the other business units, explaining the high score on Employee influence on decisions as well as Decision-making effectiveness.

For the business unit Insurance services the lowest score was for Concern for equal opportunities and as with the overall organisation it could indicate that this business unit is not perceived to place as much emphasis on this area than on the others. The highest score was obtained on the scale Communication effectiveness and was also the highest score for the Relationship domain. This can indicate that although the organisation is attempting to keep all employees informed in terms of formal communications they still need to improve on the relationships both vertically and horizontally.

7.1.2.2   Second Aim

The second aim, namely to give detailed feedback to the organisation in terms of their culture profile was achieved in chapter 5 (refer to 5.3). Feedback was given to the management team per business unit and then down through the hierarchy in functional teams, by using the survey feedback approach. A total of 203 feedback sessions were facilitated in the five business units with the number of sessions linked to the number of teams in the specific business unit. During the feedback session the people receiving the feedback were asked to help interpret data and compile possible action plans for improvement.

7.1.2.3   Third Aim

The third aim, namely to determine the impact of feedback on the organisational culture was achieved in chapter 6. The Corporate Culture Lite Questionnaire was again used, as a post-test, to gather information on the culture profile of the overall organisation as well as five of the business units in the organisation. The results of the survey were presented in chapter 6 (refer to 6.2). The results of the post-test, once again, showed little variance in responses between the different scales, which indicates that the respondents held similar views to other organisations or only slightly different views to other organisations.

When comparing the results from pre-test and post-test measurements, the overall organisation as well as Broker services resulted in significant differences on most of

the dimensions of the CCQLite, with the overall organisation showing differences on 15 of the 20 dimensions and Broker services showing differences on 18 of the 20 dimensions. Insurance services' measurements resulted in significant differences on nine of the 20 dimensions, with Business support services and Call centres each showing differences on only four of the dimensions each. Specialist portfolios' measurements resulted in significant differences on only one of the 20 dimensions.

When looking at the areas of practical significant differences of the measurements of the overall organisation, Business support services, Specialist portfolios as well as Insurance services no differences were recorded. The Call centres measurements resulted in one area of practical significant difference, namely Concern for career development while Broker services' measurements resulted in practical significant differences on 10 of the 20 dimensions. These were Concern for quality, Use of new equipment, Customer orientation, Concern for employees, Job involvement, Concern for career development, Emphasis on performance related rewards, Concern for the longer term, Interpersonal cooperation and Communication effectiveness.

Some possible explanations for these results were then explored highlighting areas such as different facilitators, structures of the various business units, management styles of the various management teams of the different business units, the size of the groups receiving the feedback and employees' trust in the measurement process.

7.1.2.4   Fourth Aim

The fourth aim, namely to formulate recommendations for Industrial Psychology and further research based on the findings of this research, will be discussed in section 7.3.

7.2   LIMITATIONS OF THE RESEARCH

The limitations for the literature study and the empirical investigation are outlined below.

7.2.1 Limitations of the Literature Review

With regard to the literature review, the following limitations were encountered:

- There are many different models of organisational culture that highlight different aspects, levels and dimensions of organisational culture.
- There is no research available on the impact of feedback on the improvement of organisational culture.

7.2.2 Limitations of the Empirical Investigation

The limitations encountered in the empirical investigation are outlined below.

7.2.2.1 Sample

The research was conducted within a single organisation and thus the results cannot be generalised to the broader population of financial institutions. Furthermore the majority of the sample consisted of white people, and although this was representative of the demographics of the specific organisation, it has an impact on the generalisability of the results to the broader South African population.

The sample size of the post-test measurement of organisational culture was smaller than the sample size of the pre-test measurement. This could possibly be linked to the quality of the feedback and resulting changes from the survey. If respondents experienced the feedback as negative or felt that no changes resulted from the results of the survey, it could lead to people choosing not to participate in future studies of this nature.

Another limitation in this regard is that although the same population was used for both the pre-test and post-test measurements of organisational culture (the five business units), the actual sample of respondents between the two measurements differs.

No specific records were kept of employees attending the different feedback sessions. It can therefore not be determined whether the employees who received feedback on the organisational culture results of the pre-test also participated in the post-test measurement.

7.2.2.2 Research design

Having used the one group pre-test/post-test research design it is possible that other changes could have impacted the results of this study; specifically the period of change that the research organisation entered into, shortly before the post-test measurement, leading to the exclusion of a very important dimension of culture, namely Rate of change, is an area of concern. According to Bless and Higson-Smith (1995) these changes that could have impacted the study can either be those which occur within the environment or those which occur within the subjects.

7.2.2.3 Measuring instrument

The reliability coefficients of three of the dimensions of the Corporate Culture Lite Questionnaire were low, namely Concern for quantity and Commercial orientation in the Performance domain, and Degree of formalisation in the Decision-making domain and should be taken into account with the interpretation of the data.

7.3 RECOMMENDATIONS

Notwithstanding the limitations of the current research the following recommendations for the Industrial Psychology and further research in this field are put forth:

7.3.1 Recommendations for Industrial Psychologists when Working in the Field of Organisational Culture

It is recommended that line managers should be assisted in understanding how practices within the organisation (for example feedback) can have an impact on the organisation's performance based on employees' perceptions. It should therefore

become a business imperative to ensure that the organisational culture is aligned with the business strategy.

Furthermore it is recommended that people responsible for feedback be thoroughly trained in the process of giving feedback including how to deal with the typical reactions from people receiving feedback.

The survey feedback process can be regarded as a powerful process for creating changes in an organisation and specifically that the results are more favourable where the organisation involves all the employees. When survey feedback interventions are used in isolation the success is usually short-range and can be more substantial if the feedback is combined with other interventions. This is in line with the literature from Harvey and Brown (2006). It is therefore recommended that feedback interventions be combined and linked to other strategic business interventions and thereby attempting to successfully change the culture of the organisation.

It is also recommended that qualitative action research be considered, whereby the individuals are given the opportunity to assist in the diagnosis of problem areas and possible solutions. It will also help develop a more detailed and thorough understanding of the organisational culture and measure the unconscious elements that contribute to the culture of an organisation.

7.3.2 Recommendations for Further Research

Owing to the limitations of this study, and specifically the fact that there is no literature available on the impact of feedback on the improvement of organisational culture, it is recommended that more research in other organisations be done on this topic. It is further suggested that the feedback process for this type of study be standardised to try and avoid any differences that can impact the results of the study.

In an attempt to address the limitations of this research, it is further recommended that, in order to achieve true value from the research, a number of organisations across industries should be selected to participate in the research.

In addition, quantitative and qualitative approaches can be used in a complementary way to help develop a more detailed understanding of organisational culture and measure the unconscious elements that contribute to the culture of an organisation.

7.4   CHAPTER SUMMARY

The research aim was to determine whether feedback has an impact on the improvement of organisational culture in a financial organisation in South Africa. The findings of the empirical research were presented in chapter 6 and the conclusions related to each of the specific aims of both the literature review and empirical studies were discussed in this chapter. The limitations of the study, for both the literature review and the empirical study, were then identified where after recommendations for Industrial Psychologists working in the field of organisational culture as well as for further research were given.

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Appendix 1

SHL Model of Corporate Culture

The performance domain	
P1	Concern for quantity
P2	Concern for quality
P3	Use of new equipment
P4	Encouragement of creativity
P5	Customer orientation
P6	Commercial orientation
The human resources domain	
H1	Concern for employees
H2	Job involvement
H3	Concern for career development
H4	Performance-related rewards
H5	Concern for equal opportunity
The decision-making domain	
D1	Degree of formalisation
D2	Employee influence on decisions
D3	Decision-making effectiveness
D4	Concern for the longer term
D5	Rate of change
D6	Environmental concern
D7	Concern for safety
The relationships domain	
C1	Vertical relations between groups
C2	Lateral relations between groups
C3	Interpersonal co-operation
C4	Communication effectiveness
C5	Awareness of goals