Report on the
ORGANIZATIONAL CULTURE
Demo Group 1 of Demo company

3.11.2023

The Culture
Factor
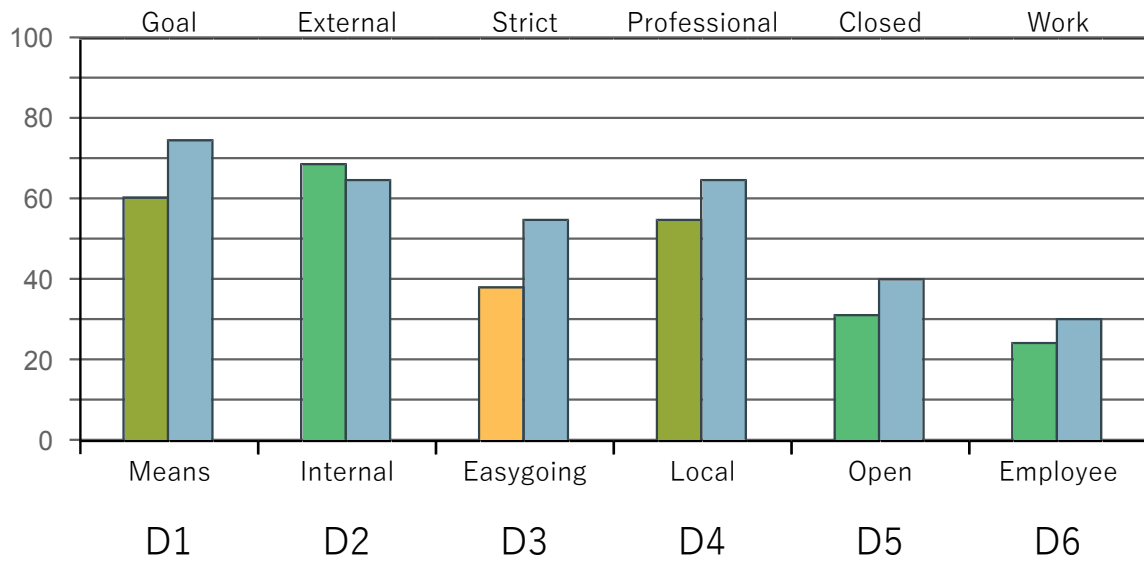|GROUP

CONTENTS

1 RESULTS OVERVIEW

Your organizational profile on the Multi-Focus Model

	Goal	External	Strict	Professional	Closed	Work
	Means	Internal	Easygoing	Local	Open	Employee
	D1	D2	D3	D4	D5	D6

Color codes used for **actual scores**

- 0 - 9: very functional
- 10 - 14: functional
- 15 - 19: some opportunities for improvement
- 20 - 29: opportunities for improvement
- 30 - 39: many opportunities for improvement
- 40 or more: very many opportunities for improvement

Color codes used for **optimal scores**

- If blue color of the optimal bar is changed please reconsider the optimal position.
- Nothing may be wrong but please reconsider.
- Strong recommendation to reconsider.
- Exceptional finding.

The dimensions of the Multi-focus Model			
D1	Organizational effectiveness	D4	Focus
D2	Customer orientation	D5	Approachability
D3	Control	D6	Management philosophy

OVERALL ALIGNMENT

The alignment index shows the alignment of your subculture with the defined optimal culture.

Opportunities for improvement				Degree of functionality	
Very many opportunities	Many opportunities	Opportunities	Some opportunities	Functional	Very functional
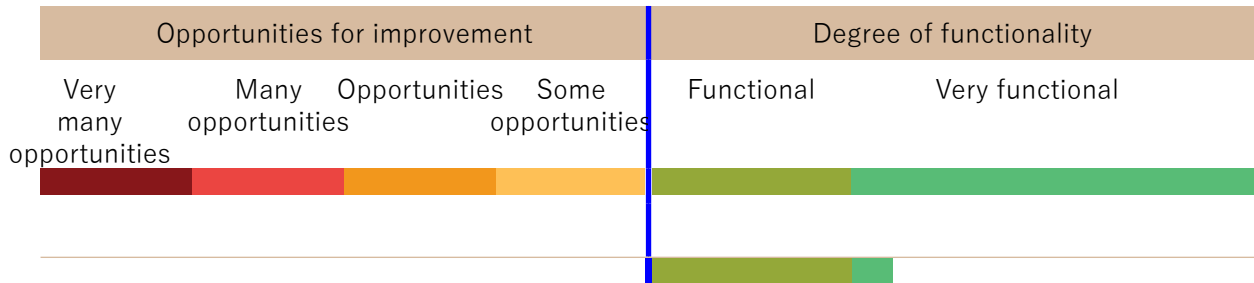
IDENTITY

The identity of your culture is as follows:

- Most important decisions are made by groups or committees
- When in trouble, my colleagues go into their shell
- People who fail are given the benefit of the doubt
- Everybody believes that there is room for improvement
- Our organization is open, even to outsiders
- Inspiring leadership
- Our organization takes major responsibility for the welfare of its employees
- Promises are often broken

RESPONDENTS (ABSOLUTE NUMBERS)

	Executives	Middle management	Front line management	Operational staff*
Demo Group 1	5	1	11	

*Those who don't manage

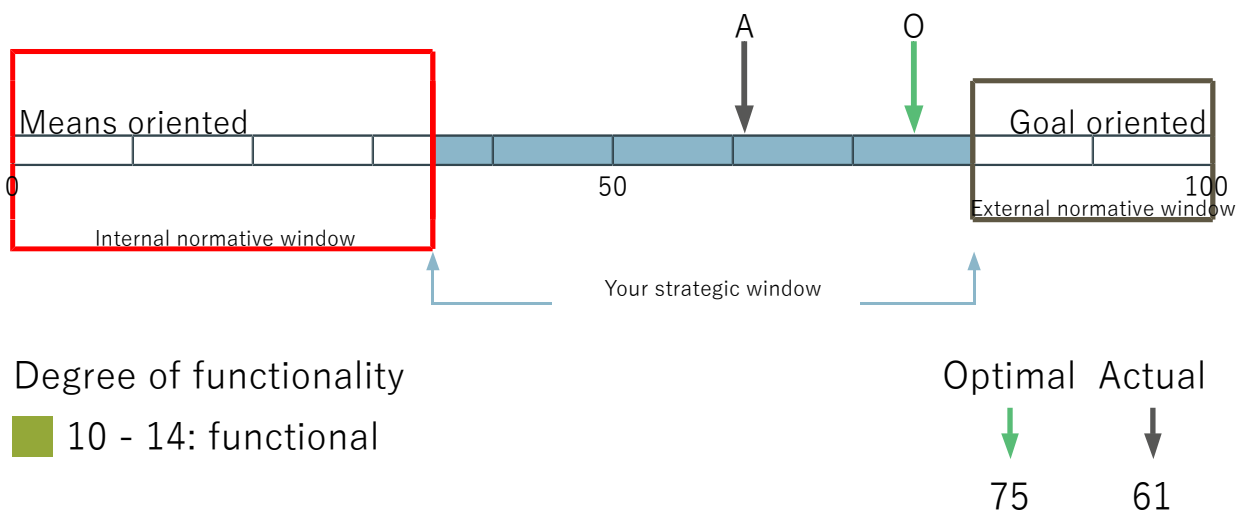# 2 YOUR POSITIONS IN THE MULTI-FOCUS MODEL

2.1 D1: Organizational Effectiveness

The means oriented versus goal oriented dimension is most closely connected with effectiveness of the organization.

In a **means-oriented** culture, the way in which work has to be carried out matters most; people identify with the **"how"**.

In a **goal-oriented** culture, outcomes matter most. Employees strive to achieve internal goals and results, sometimes taking substantial risks; people identify with the **"what"**.

D1: Organizational effectiveness

Means oriented | Goal oriented
0 — 50 — 100
Internal normative window
External normative window
Your strategic window

Degree of functionality
■ 10 - 14: functional

Optimal | Actual
75 | 61

INFORMATION ON EXTERNAL WINDOW

In order to help you to reassess your optimal position we're listing below the characteristics which define the size of the external window. The list is limited to characteristics which contribute more than 5 points to the total width of the window.
- Type of activity: ordinary office work.
- Degree of challenge in our work situation: moderate amount of routine work.

SCORE BREAKDOWN

Your actual culture on this dimension is the average of the scores of all items that belong to this dimension. Below you can see the six items that had the highest agreement among respondents.

Means oriented | Goal oriented

Promises are often broken ——●—— People always keep their promises

We stick to the rules	—————●—————	Inspiring leadership
Those who get promoted keep themselves apart	—————————●	Those who get promoted show a lot of initiative
People just do what they are told	————●————	Everybody always puts in the maximum effort
Our strength lies in our technical skills	————————●—	Our strength lies in gaining people's trust
Each day is pretty much the same	—————————●—	Each day brings new challenges
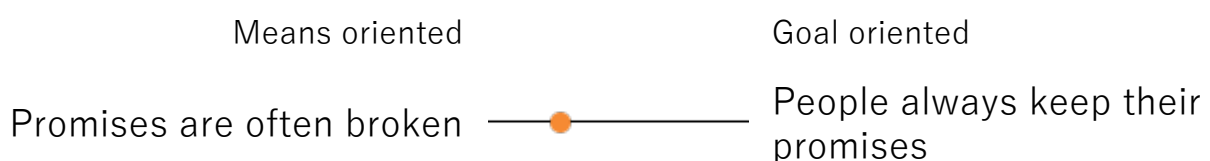
2.2 D2: Customer Orientation

D2 is most closely connected with the way employees relate to customers of the organization, as well as to other stakeholders.

In an **internally driven** culture employees take for granted that business ethics and honesty matters most when it comes to dealing with the outside world. Because of this belief, they perceive that they know best what is good for the customer and the world at large.

In a **very externally driven** culture the only emphasis is on meeting the customer's requirements. Results and a pragmatic approach to achieving results for customers matter most in this culture, sometimes at the expense of ethical practices.

D2: Customer orientation

O A

Internally directed   Externally directed

0   50   100

Internal normative window   External normative window

Your strategic window

Degree of functionality   Optimal Actual

0 - 9: very functional

65   69

INFORMATION ON EXTERNAL WINDOW

In order to help you to reassess your optimal position we're listing below characteristics which define the size of the external window. The list is limited to characteristics which contribute more than 5 points to the total width of the window.
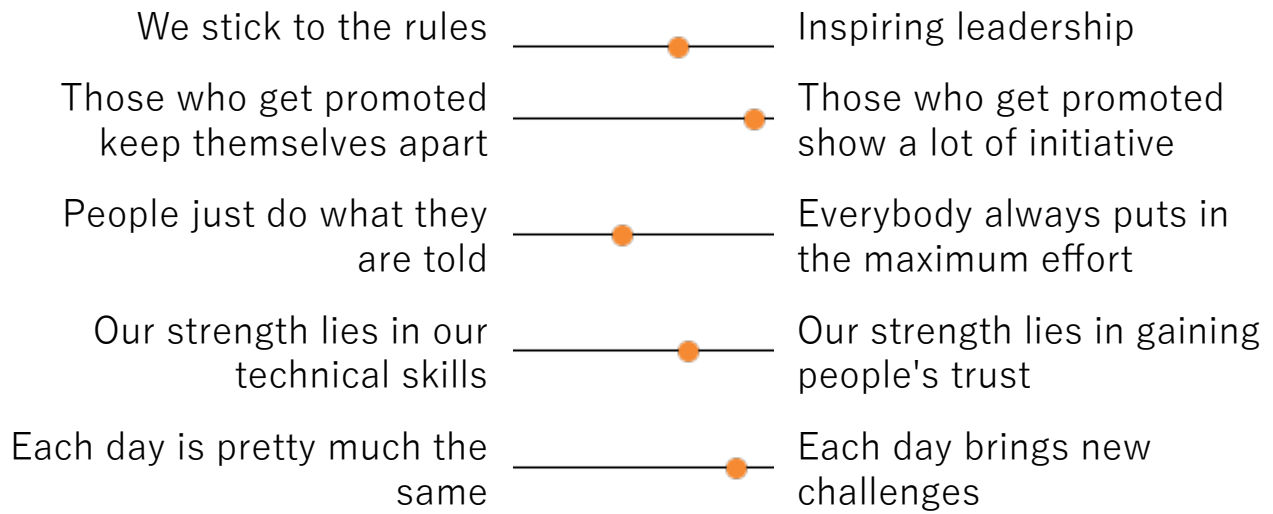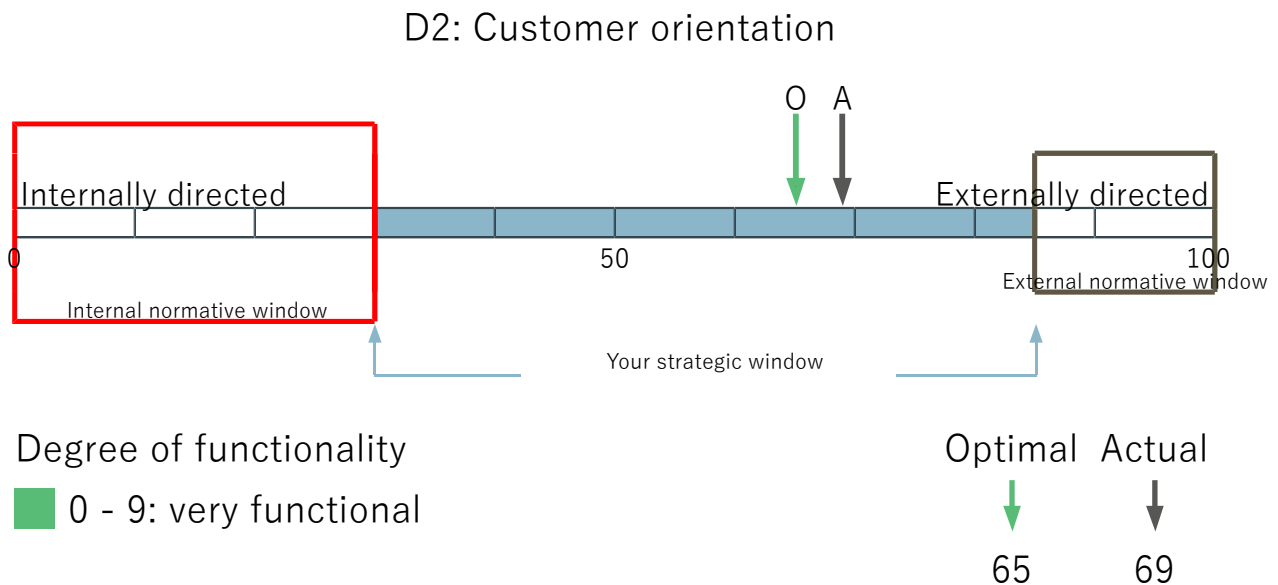
- The degree to which laws and governmental directives interfere with the way we try to meet clients' demands compared to other business activities: moderate.

SCORE BREAKDOWN

Your actual culture on this dimension is the average of the scores of all items that belong to this dimension. Below you can see the six items that had the highest agreement among respondents.

The Culture
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| Internally directed		Externally directed
We already do things the best possible way	—————●—————	Everybody believes that there is room for improvement
We are good at being consistent	—————●—————	Our strength lies in being flexible
We don't need to worry about competitors	—————●—————	Compete or die
We have high standards of business ethics and honesty	————●————	In matters of business ethics and honesty, we are pragmatic, not dogmatic
The emphasis is on following organizational procedures	—————●—————	The emphasis is on meeting the customer's needs
Procedures must be followed correctly	————●————	Results are more important than following procedures correctly

2.3 D3: Control

This dimension refers to the amount of **internal structuring, control and discipline**.

A **very easygoing** culture has loose internal structure, little control and discipline, and lacks predictability; people improvise and there are a lot of surprises.

In a **very strict** work discipline, there is a great deal of internal control. People tend to be very cost conscious, punctual and serious.

D3: Control
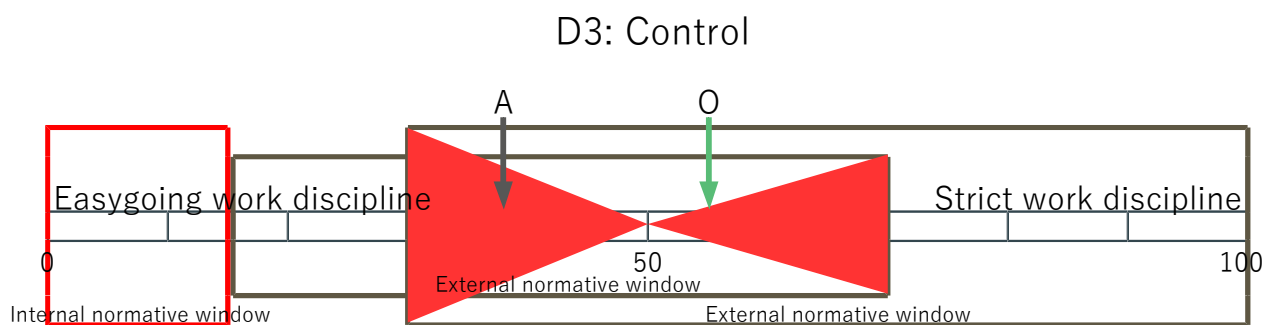
Degree of functionality

🟧 15 - 19: some opportunities for improvement

Optimal   Actual

55   38

INFORMATION ON EXTERNAL WINDOW

Given the overlap identified between the two external normative windows, you want the culture to support an innovative spirit and meticulous task execution at the same time. From a cultural perspective, this is not possible. Therefore, please consider creating functional diversity. For further explanation you may want to contact your change management consultant.

In order to help you to reassess your optimal position, the list below provides the characteristics you chose when defining the optimal culture, since these increased the size of the two external windows by more than 5 points:
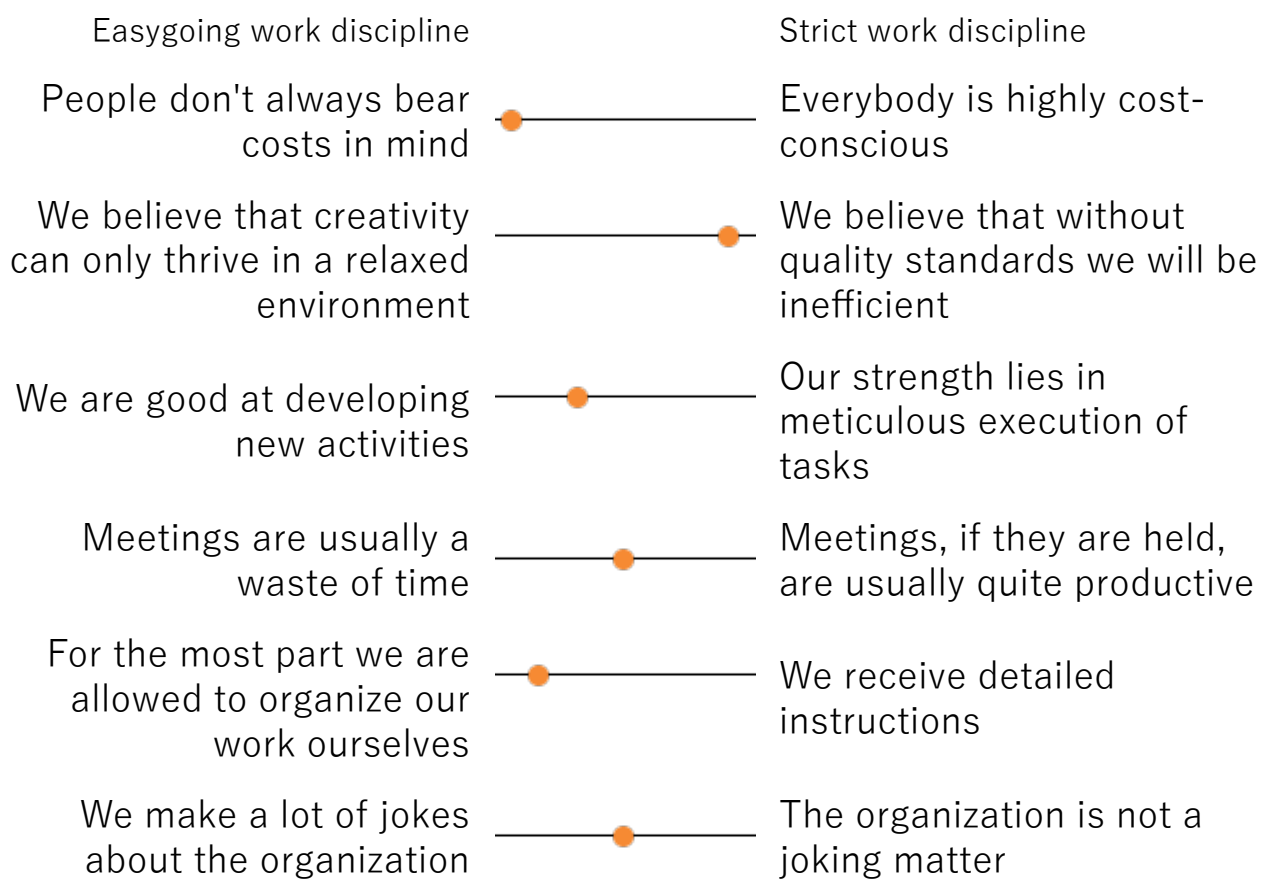
The external window on the right:

- Change in size of work force: personnel recently increased considerably.
- Need to be innovative, i.e. being innovative outside the existing framework in which we operate or in other words: "we have to think out of the box" is: high.

The external window on the left:

- Predictability: moderate.
- Inherent precision: moderate.
- Inherent risk: moderate.
- Degree to which work demands standards and controls: high.
- Degree of material-intensive processes: high.

SCORE BREAKDOWN

Your actual culture on this dimension is the average of the scores of all items that belong to this dimension. Below you can see the six items that had the highest agreement among respondents.

Easygoing work discipline		Strict work discipline
People don't always bear costs in mind	●———————	Everybody is highly cost-conscious
We believe that creativity can only thrive in a relaxed environment	————————●	We believe that without quality standards we will be inefficient
We are good at developing new activities	———●———	Our strength lies in meticulous execution of tasks
Meetings are usually a waste of time	————●————	Meetings, if they are held, are usually quite productive
For the most part we are allowed to organize our work ourselves	——●————————	We receive detailed instructions
We make a lot of jokes about the organization	————●————	The organization is not a joking matter

GAP ANALYSIS

Since there is some room for improvement on D3 we show a table below giving information for change management purposes. The information will help you to identify those characteristics that, if successfully changed, will create the biggest improvement.

	Relevance
1) We should prioritize receiving detailed instructions over the freedom of organizing our own work (#100)	**
2) We should take costs into greater consideration when making decisions and executing tasks (#118)	**
3) We should be less sloppy and more punctual (#96)	*
4) We should prioritize the meticulous execution of tasks over the development of new activities (#106)	*

INTERPRETATION FROM IDEAL WORK ENVIRONMENT

Contrary to the text above, the text presented below about your ideal work environment is just an interpretation and you may have to change it.

	Relevance
1) Around 80% of respondents are upset by the fact that colleagues and/or managers are mismanaging resources.	****
2) Around 80% of respondents are upset that colleagues and/or managers are making jokes about their own organization. Work life should be taken much more seriously.	***
3) Around 75% of respondents are upset that colleagues are wasting their time by not arriving on time, or by not delivering on time.	**

2.4 D4: Focus

In a **local** company, employees identify with the boss and/or the unit in which they work. In a **professional** organization, employees identify with the profession and/or the content of the job.

In a **very local** culture employees are very short-term oriented and internally focused. There is strong social control and pressure to be like everybody else.

A **very professional** culture encourages people to be long-term oriented and to go out into the world to learn about the latest developments, and creates a diverse work place. Such a culture also enables positive cooperation between different departments and function groups.
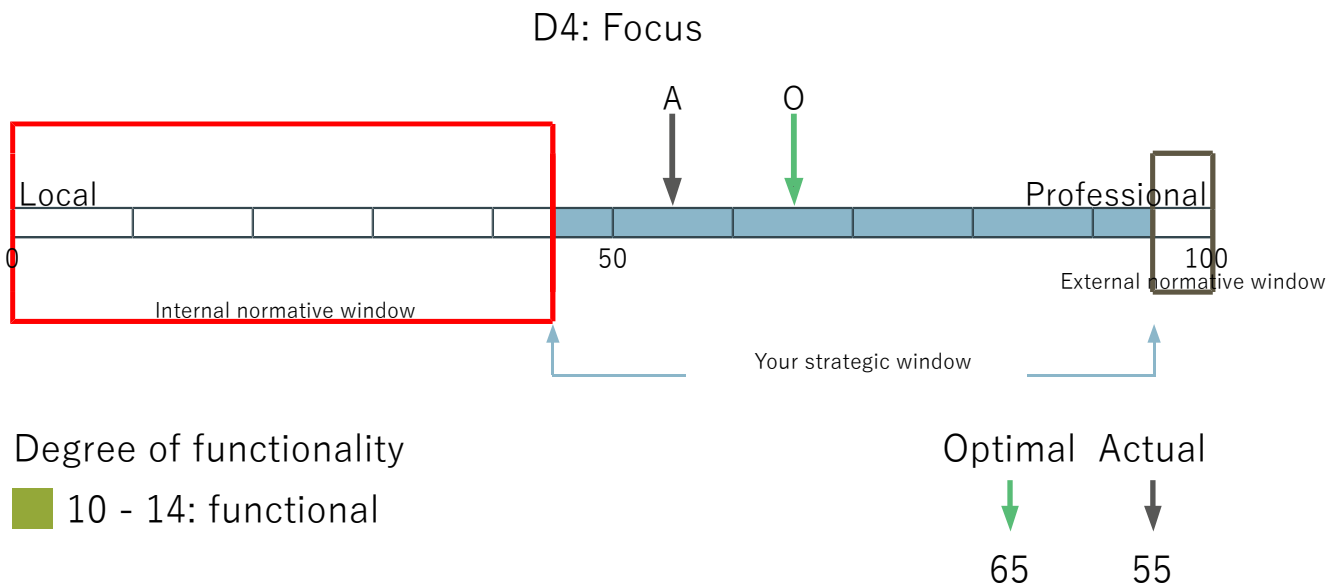
D4: Focus

Degree of functionality

■ 10 - 14: functional

Optimal Actual

65 55

INFORMATION ON EXTERNAL WINDOW

In order to help you to reassess your optimal position we list below the characteristics which define the size of the external window. The list is limited to characteristics which contribute more than 5 points to the total width of the window.
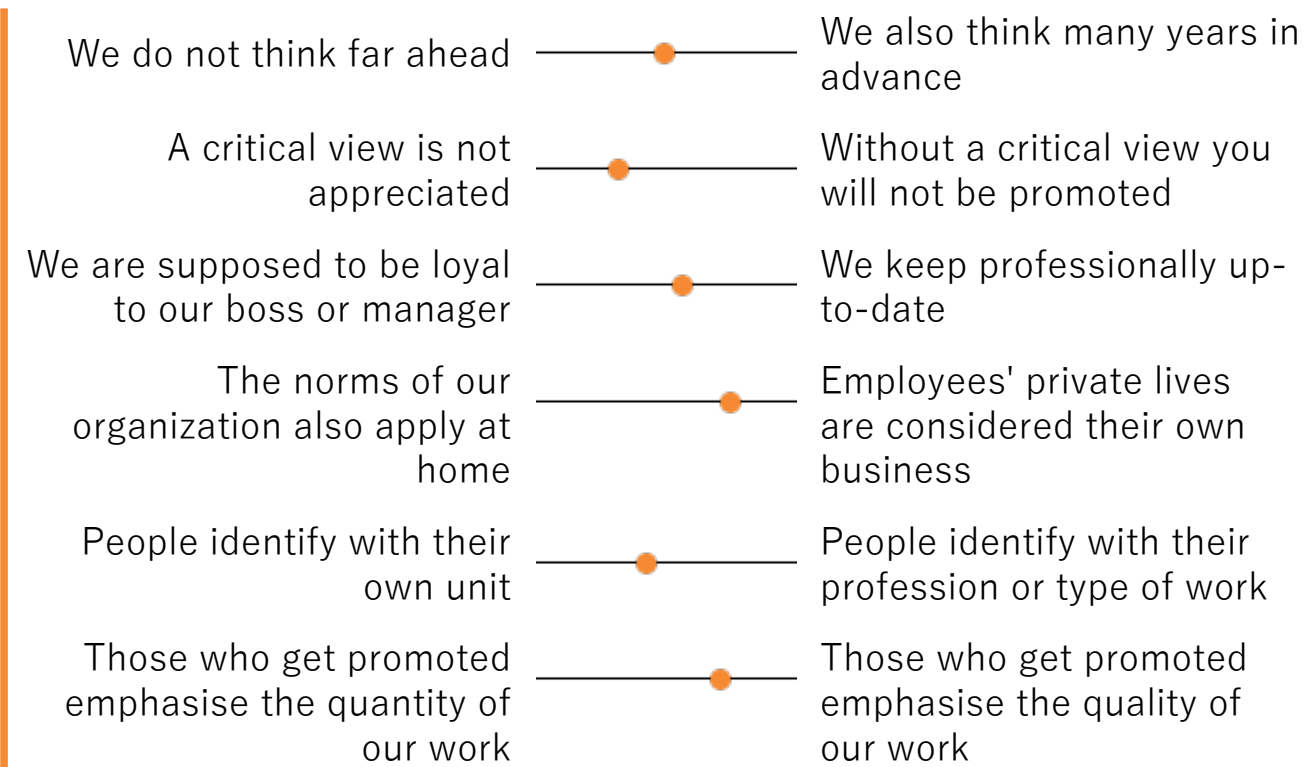- Size of work units: Low

SCORE BREAKDOWN

Your actual culture on this dimension is the average of the scores of all items that belong to this dimension. Below you can see the six items that had the highest agreement among respondents.

Local Professional

We do not think far ahead — ●———— We also think many years in advance

A critical view is not appreciated ——●———— Without a critical view you will not be promoted

We are supposed to be loyal to our boss or manager ———●——— We keep professionally up-to-date

The norms of our organization also apply at home ————●—— Employees' private lives are considered their own business

People identify with their own unit ——●——— People identify with their profession or type of work

Those who get promoted emphasise the quantity of our work ————●—— Those who get promoted emphasise the quality of our work

2.5 D5: Approachability

This dimension relates to the openness of an organization.

In an **open** culture, newcomers feel immediately welcomed; people are open to both insiders and outsiders. There is a shared belief that almost anyone fits in the organization.

In a **closed** culture secrecy prevails. As a result, information travels slowly. This type of culture could be considered functional in service of protecting intellectual property or other information that should not leak out "to the street". In a closed culture, a person must earn his or her stripes before being accepted.

D5: Approachability
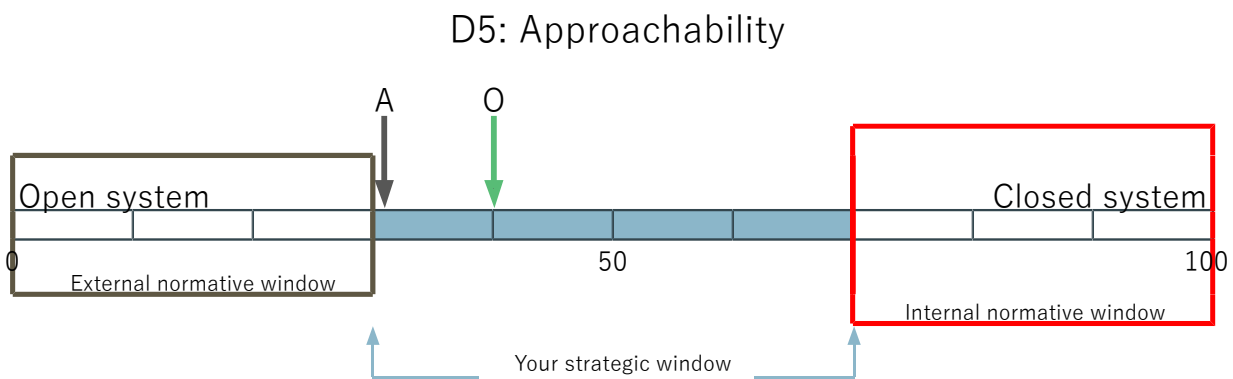
Degree of functionality

■ 0 - 9: very functional

Optimal Actual
40 31

INFORMATION ON EXTERNAL WINDOW

In order to help you to reassess your optimal position we list below the characteristics which define the size of the external window. The list is limited to characteristics which contribute more than 5 points to the total width of the window.
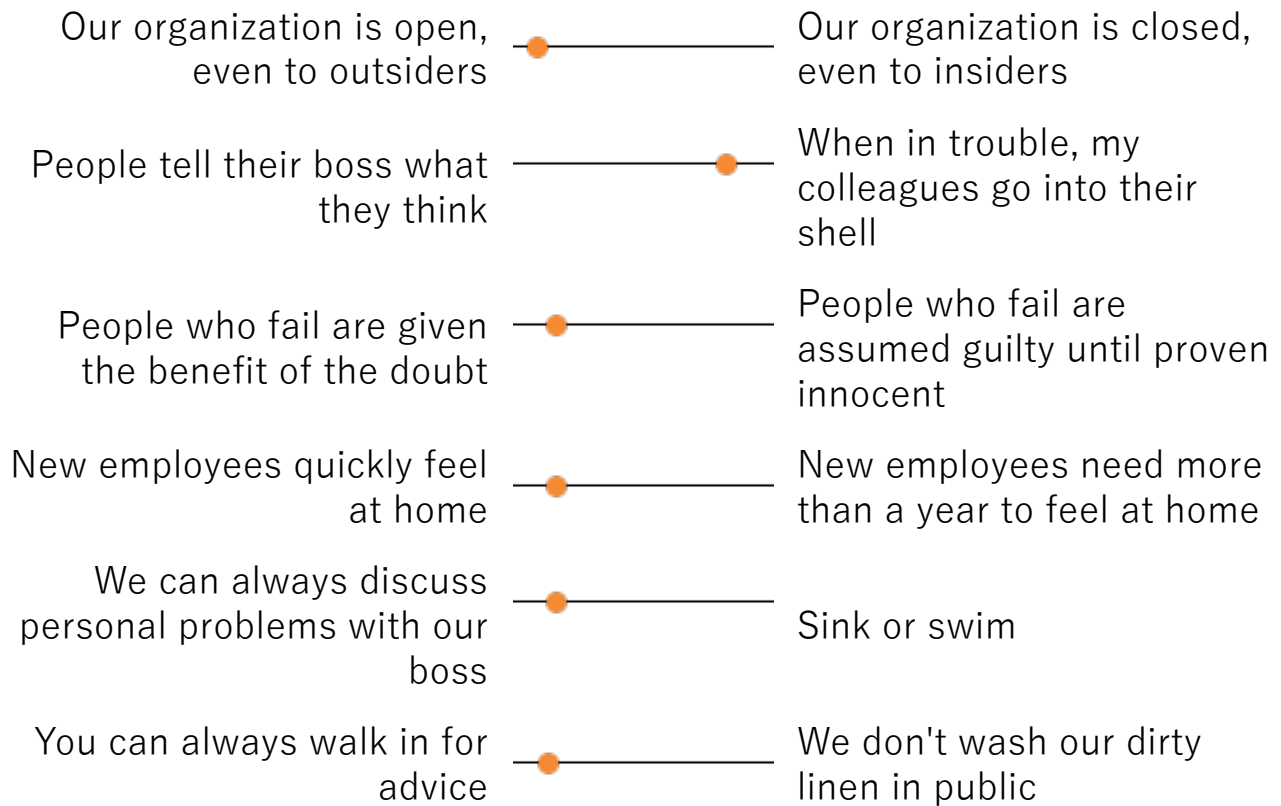
- Need to be secretive about our know-how to avoid industrial espionage: high.
- Need to be secretive about our know-how/data as disclosure would harm our clients:moderate.

SCORE BREAKDOWN

Your actual culture on this dimension is the average of the scores of all items that belong to this dimension. Below you can see the six items that had the highest agreement among respondents.

Open system   Closed System

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Factor
|GROUP

Our organization is open, even to outsiders	●———————	Our organization is closed, even to insiders
People tell their boss what they think	———————●	When in trouble, my colleagues go into their shell
People who fail are given the benefit of the doubt	●———————	People who fail are assumed guilty until proven innocent
New employees quickly feel at home	●———————	New employees need more than a year to feel at home
We can always discuss personal problems with our boss	●———————	Sink or swim
You can always walk in for advice	●———————	We don't wash our dirty linen in public

2.6 D6: Management Philosophy

Employee orientation opposes a concern for people to a concern for completing the job, whatever the price may be.

In a **very employee-oriented** culture people feel that personal problems are taken into account by management and that the organization takes co-responsibility for the welfare of its employees, sometimes at the expense of the work.

In a **very work-oriented** culture there is intense pressure to perform the task, even at the expense of employees' well-being.
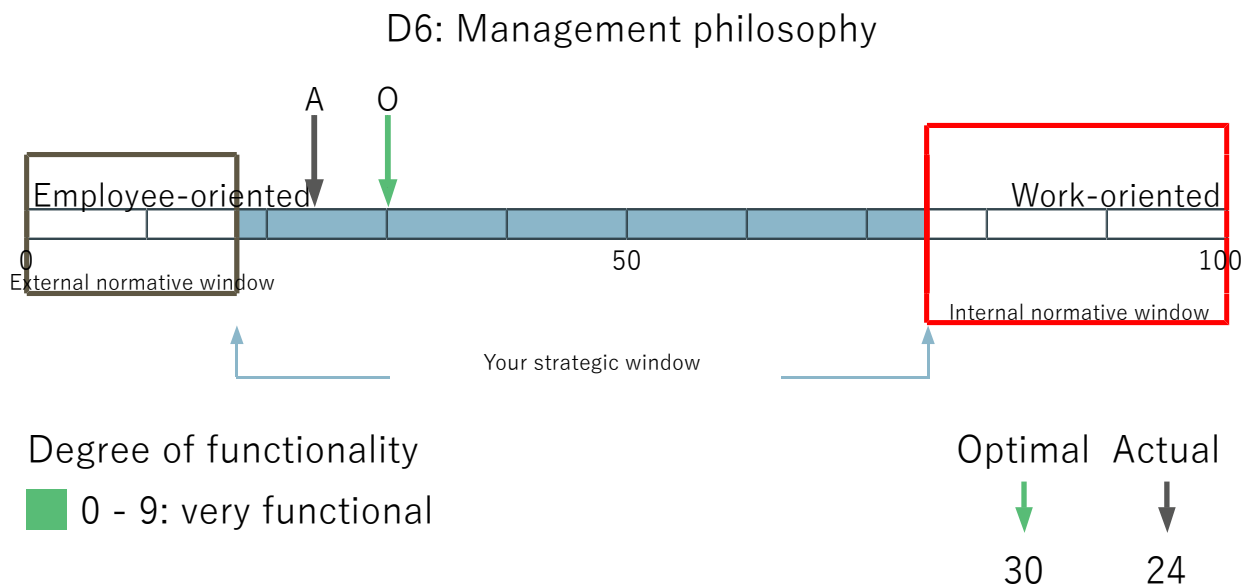
D6: Management philosophy

INFORMATION ON EXTERNAL WINDOW

In order to help you to reassess your optimal position we list below the characteristics which define the size of the external window. The list is limited to characteristics which contribute more than 5 points to the total width of the window.

- Reorganizations: at least during the last three years we have witnessed continuous reorganizations.
- Executives believes that if you don't put people under a considerable amount of pressure they will only do as little as possible: only to a certain extent accurate

SCORE BREAKDOWN

Your actual culture on this dimension is the average of the scores of all items that belong to this dimension. Below you can see the six items that had the highest agreement among respondents.

Employee-oriented   Work-oriented

Most important decisions are made by groups or committees ●————————— Most important decisions are made by individuals

Our organization takes major responsibility for the welfare of its employees ——●——————— Management is only interested in the work employees do

People feel very secure about their jobs ●——————— People are often worried about losing their jobs

Those who are collaborative get promoted ————●——— Those who are ambitious get promoted

Personal problems of employees are normally taken into account ——●——————— There is strong pressure to get the job done

It takes a real effort to be fired ——————————●—— If it doesn't suit you, you can leave

3   CHARACTERISTICS

3.1 Homogeneity

The literature suggests that a strong culture will be helpful in achieving your goals. This has been validated by Hofstede's research, as there is a positive relationship between the degree of strength of a culture and the score on D1, means versus goal orientation. At the same time, the literature suggests that this strength may become a weakness. In a strong culture, people will develop the same point of view over time, which closes them off to new experiences and ideas that should been taken into account.

A weak culture, on the other hand, may hinder open communication and vision for a common goal. This, in turn, may hinder cooperation between different subgroups within the organization.

The words "strong" and "weak" are very relative. Other descriptors could include "homogeneous" or "heterogeneous."

Finding:
Your culture scores in this respect: **average**.

3.2 Identity

The strength of a subculture is reflected in the number of characteristics on which respondents agree when describing their subculture. The content of all characteristics on which respondents agree to a high degree forms the identity of the organization. This is true whether you are aware of your identity or not. It is interesting to note that until recently we rarely found "core values" as part of an organization's true identity. In other words, stated "core values" often remain ideology instead of becoming or being part of the operating environment of the firm.

The identity of your culture is as follows:

• Most important decisions are made by groups or committees
• When in trouble, my colleagues go into their shell
• People who fail are given the benefit of the doubt
• Everybody believes that there is room for improvement
• Our organization is open, even to outsiders
• Inspiring leadership
• Our organization takes major responsibility for the welfare of its employees
• Promises are often broken

The Culture
Factor
|GROUP

3.3 Acceptance of Leadership Style

The leadership acceptance score indicates the percentage of respondents where actual and desired leadership style match.

Acceptance of leadership style
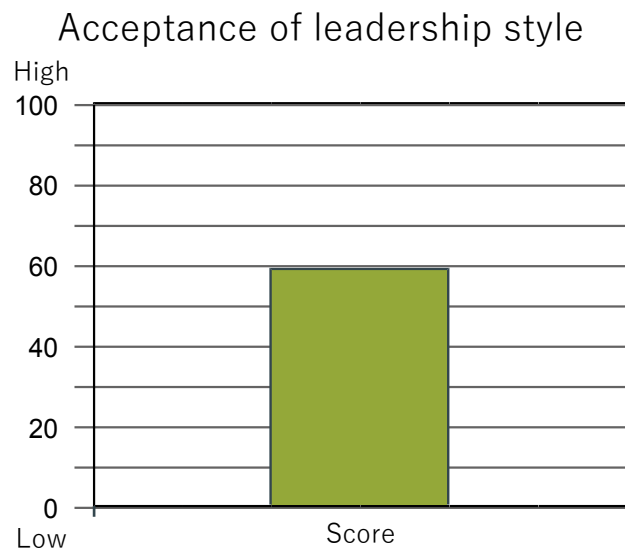
Color codes used for Leadership Acceptance

- 61 - 100: very functional
- 51 - 60: functional
- 41 - 50: some opportunities for improvement
- 31 - 40: opportunities for improvement
- 21 - 30: many opportunities for improvement
- 0 - 20: very many opportunities for improvement

Your actual score on leadership acceptance is functional. There seems to be no room for improvement, but please also see the table below, which may give additional salient information to be taken into consideration.

Leadership style	Actual	Desired
AUTOCRATIC	0%	0%
Usually makes prompt decisions and announces them to his/her subordinates. The leader expects employees to carry out the decisions without questions or challenges.		
PATERNALISTIC	24%	18%
Usually makes prompt decisions but tries to explain them fully to empoyees before proceeding. The leader gives employees the reasons for the decisions and answers whatever questions they may have.		
CONSULTATIVE	24%	24%
Usually consults with employees before reaching a decision. The leader listens and considers empoyees' input and advice, then announces the decision. The leader expects employees will implement without question or challenge, regardless of whether it aligns with their input.		
DEMOCRATIC	47%	59%
Usually calls a meeting of when there is an important decision to be made. He/she puts the problem before the group and invites discussion. He/she accepts the majority viewpoint as the decision.		
OTHER	6%	

A relatively high percentage of respondents say that their boss is democratic. With respect to the manager(s) concerned, this may mean that they try to avoid their responsibility for one or more of the following reasons:
- Responsibility is not matched by sufficient authority. This option is more likely the lower the score on D4, local versus professional. Please check this.
- Not enough management support is being received from his/her manager.
- The manager(s) concerned operates above his/her competence level.
- The manager(s) concerned is unaware of the fact that a democratic style in the workplace is only effective in a very limited set of situations.
- Any other explanation you believe could be true based upon your perceptions and experience.

Under most circumstances democratic leadership in the work place will not work. Therefore, respondents who desire such bosses to such a high degree convey one of the following messages:

- They do not appreciate that a more directive leadership approach can help bring about a sense of common purpose and efficient decision making.
- They are unaware of the fact that a democratic style in the workplace is only effective in a very limited set of situations.
- They are frustrated by the way they have been managed so far.
- Any other explanation you believe could be true based upon your perceptions and experience.

3.4 Identification with Organization

Identification with organization shows the degree to which respondents identify with your organization as a whole.

Identification with Demo company
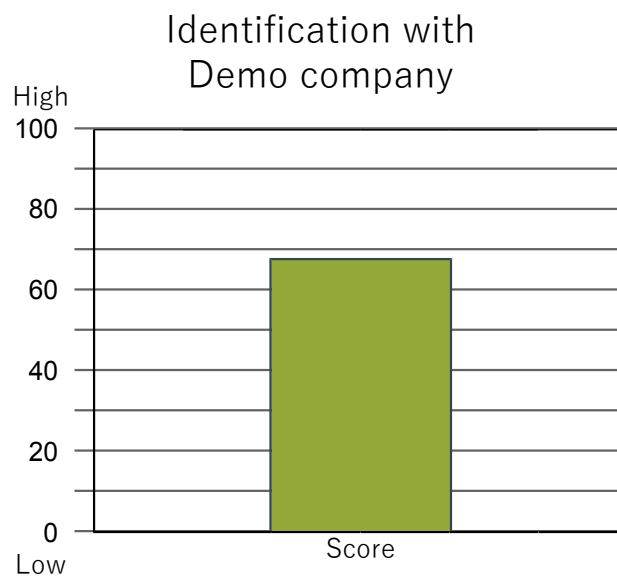
Color codes used for **Identification with Organization**

- 70 - 100: very functional
- 65 - 69: functional
- 60 - 64: some opportunities for improvement
- 50 - 59: opportunities for improvement
- 40 - 49: many opportunities for improvement
- 0 - 39: very many opportunities for improvement

Your actual score on dimension Identification with Organization is functional. There is no room for improvement.

3.5 Work and Stay Motivation

Many factors influence motivation of people, one of them being the actual culture. The actual culture is one of the more important determinants, next to issues such as content of the job, remuneration and career opportunities. We distinguish here two different types of motivation, work motivation and stay motivation.

The **work motivation** index shows to which degree culture supports or hinders you and your colleagues in realizing productive (effective) task execution. The **stay motivation** index shows to which degree your culture supports or hinders you and your colleagues to stay with your organization.

Scores below have been calculated based on a combination of several dimension scores.
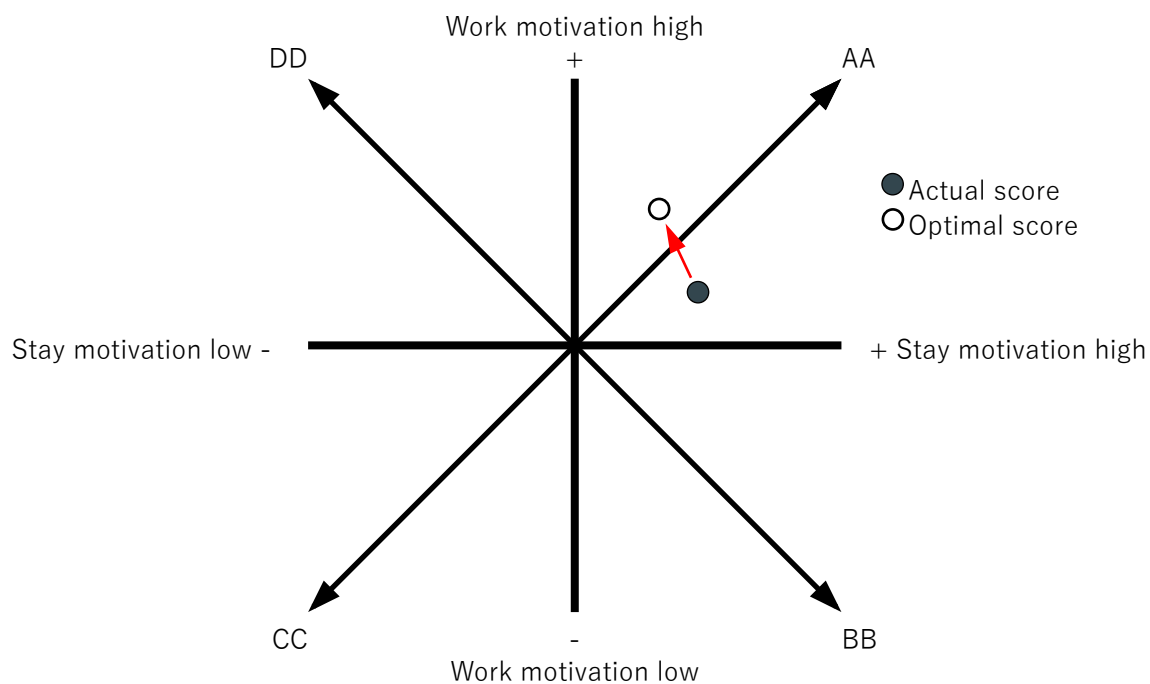
The more your culture scores in the direction of AA the more your organization finds itself in the **best of all worlds**, unless you want to increase the rate of turnover of people in your organization.

The more your culture scores in the direction of CC while at the same time your colleagues don't leave by lack of opportunities, the more your organization finds itself in the **worst of all worlds**. You are strongly recommended to move away from this position.

More information on these two indices (including the exact scores) and other HR indices are part of the HR package. Contact your consultant for more info.

4   INTERPRETATION

4.1 Early Warning Signs

Additional, specific information about a dimension is provided only when the actual and optimal scores differ by 15 points or more. Typically, differences that are less than 15 points on a dimension imply that your culture is healthy and functional, so no follow up action is required.

However, it is still possible that despite functional scores on these dimensions, a particular aspect of the culture may be unhealthy or dysfunctional. This is not shown in sections 2.1 up to 2.6 as such a dysfunctional aspect is then compensated by one or more functional aspects.

INPUT FROM ACTUAL CULTURE

The following may be early warning signs of dysfunctional characteristics within your culture. These characteristics may need to be addressed if they have surfaced during the last two years. On the other hand, if these characteristics have always existed, then they may be specific to your work reality and do not need to be addressed. Only you can know the answer since the survey cannot measure a culture's duration. To help you determine whether there are issues to be addressed, a list of potentially dysfunctional cultural aspects culture that have not been discussed in other sections of this report is provided below.

The following early warning signs have been identified:

		Relevance
1)	Why are all those concerned so much less committed than expected to do what they say they will do?	D1 **
2)	"Most of your colleagues try to become invisible when they find themselves in a difficult situation." Is it something of the past or something that has just come into existence?	D5 **
3)	Why doesn't the manager appreciate the constructive, critical attitude of his/her direct reports? For example, has this manager not received proper support after he/she got promoted, making work life rather threatening?	D4 *
4)	Even though your culture scored functional on this dimension, Is your organization so open that confidential	D5 *

> information and propriety information can easily fall in the hands of outsiders?

INTERPRETATION FROM IDEAL WORK ENVIRONMENT

What applies to differences between the actual and optimal scores per dimension also applies to your ideal work environment. Even if the actual score on a dimension appears to be functional there may still be something cooking at a deeper level of reality, which may be implicitly shown by deviations from what is typically shown in the ideal work environment.

There are significant differences between your group's ideal work environment and the average ideal work environment in our databank, which have not been covered in section 2.1 up to section 2.6.

Contrary to the text in the table above, the text presented about your ideal work environment is just an interpretation and you may have to change it.

			Relevance
1)	Around 80% of respondents are concerned that we are losing our competitive edge.	D1	****
2)	Option 1: Around 60% of respondents feel scared to have their benefits and career dependent on the opinion of outsiders. Option 2: Around 60% of respondents are afraid that without a minimum of social control, negative developments will continue, such as being fired due to ongoing automation.	D4	****
3)	Around 80% of respondents believe that detrimental behavior of colleagues is not being addressed, putting the organization in danger.	D6	****
4)	Around 45% of respondents seem to be so unmotivated that they follow rules without considering the implication of the outcome, so that they cannot be held responsible by management for doing anything wrong.	D2	***
5)	Around 45% of respondents have strong misgivings about the fact that we have to please our clients. Work life would be a lot easier if clients would not exist. Please determine whether this reflects a lack of resilience, and, if so, determine what has caused this.	D2	**
6)	Management should, by nature, have a very employee-oriented leadership style	D6	**

7) Around 40% of respondents experience a lack of D2 * consistency, as they feel that they are confronted with conflicting demands.

8) Around 25% of respondents prefer a work situation in D2 * which complacency is the norm, because they have been pushed around too much or because they are asked to work above their competence level.

9) Around 30% of respondents have an inward looking D4 * attitude, probably because they feel under pressure.

10) Around 20% of respondents feel that behavior outside the D4 * work environment by some colleagues hurts our image.

4.2 Additional Salient Findings

Three additional types of information are provided below:
a. New data or information unrelated to findings presented in other parts of this report.
b. New data related to management responses to the questions regarding the context in which your sub-culture is embedded.
c. Additional findings that have been presented above explicitly or implicitly, and which point to dysfunctional aspects of your subculture regardless of the optimal culture chosen.

In general, the following rule applies to the information presented below: "The less additional data identified, the fewer complications you may have to face!"
As a result, it is possible that no new information will be provided below, or that the information provided relates to only one or two categories instead of three categories.

Finding:
Below the following salient information has been found, which needs your attention.

a. Additional salient information:
According to respondents a minority doesn't keep their promises while others clearly do. You may want to find out whether this minority can be identified to address their behavior, as it appears to create a fair degree of resentment.

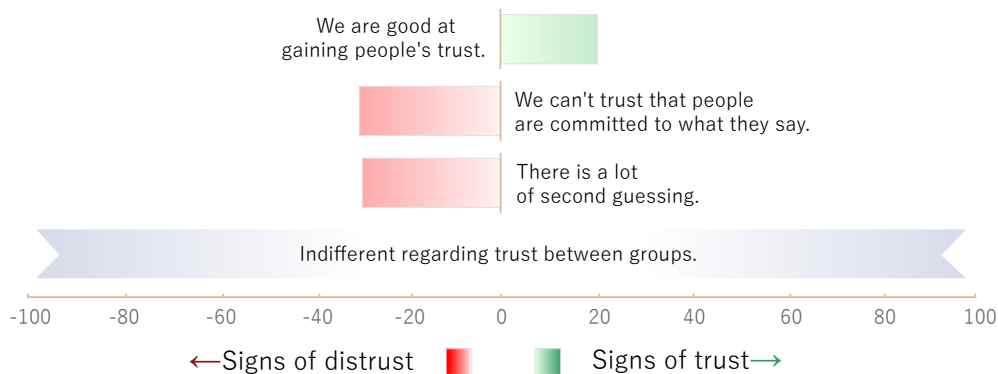# 5 INPUT FOR CHANGE

5.1 Trust and Security

The suggestions provided below can be used for both explicit and implicit (change people's work environment to such a degree that there is strong incentive to adjust their behavior) change approaches. The two diagrams indicate the degree to which your actual subculture will enable or hinder change.

FEELINGS OF TRUST

In general, there is more distrust than trust
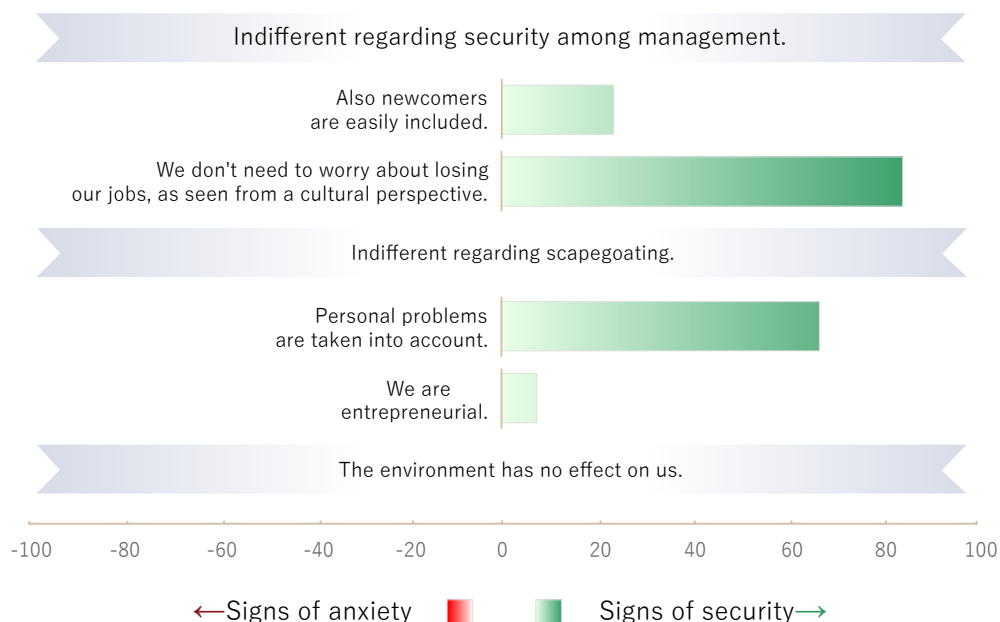
Broken down into the following components:

We are good at
gaining people's trust.

We can't trust that people
are committed to what they say.

There is a lot
of second guessing.

Indifferent regarding trust between groups.

-100 -80 -60 -40 -20 0 20 40 60 80 100

←Signs of distrust ■ ■ Signs of trust→

FEELINGS OF SECURITY

In general, there is more security than anxiety

Broken down into the following components:

Indifferent regarding security among management.

Also newcomers
are easily included.

We don't need to worry about losing
our jobs, as seen from a cultural perspective.

Indifferent regarding scapegoating.

Personal problems
are taken into account.

We are
entrepreneurial.

The environment has no effect on us.

-100 -80 -60 -40 -20 0 20 40 60 80 100
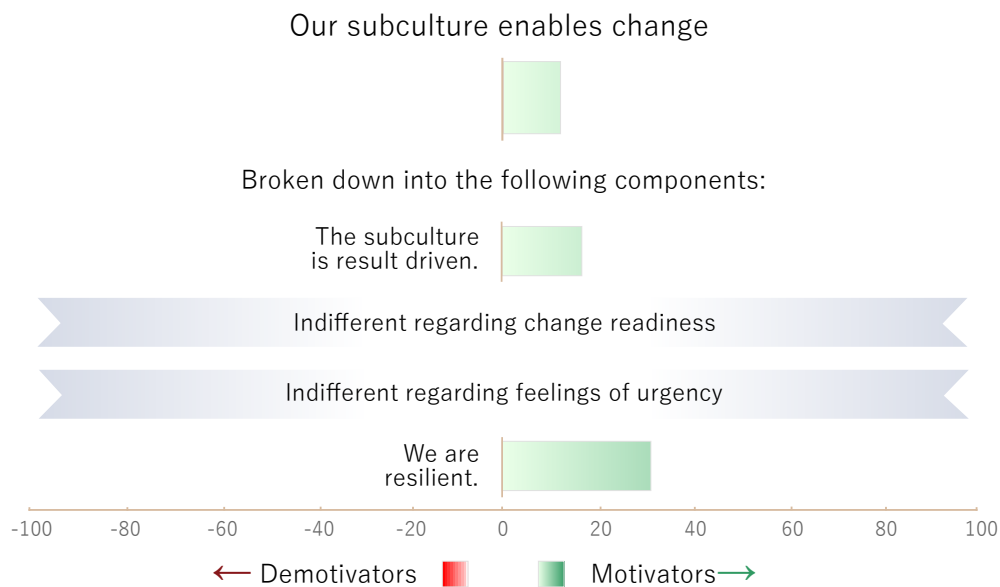
←Signs of anxiety ■ ■ Signs of security→

5.2 (De-)Motivators

The information above is especially relevant when an explicit approach to change has been chosen, especially at executive level. Executives are encouraged to seriously consider the information provided below.

**ADDITIONAL MOTIVATORS AND/OR
DEMOTIVATORS FOR MAKING CHANGE HAPPEN**

Our subculture enables change

Broken down into the following components:

The subculture is result driven.

Indifferent regarding change readiness

Indifferent regarding feelings of urgency

We are resilient.

-100   -80   -60   -40   -20   0   20   40   60   80   100

← Demotivators ▮   ▮ Motivators→

5.3 Ease of Change per Dimension

The information below is generally true for all organizations and not based on your actual culture scores. Actual scores that are positioned within internal normative windows will require more emotional energy to change than actual scores that are positioned within strategic windows. This is especially true for positions within internal normative windows on D1 and D4. Please refer to the actual scores of your subculture.

Additionally, actual positions within strategic windows on some dimensions can be changed more easily than positions on other dimensions. Therefore, change will require most emotional energy for the following dimensions: D1, D4 and D5.

Please double check the actual scores of your subculture.

The Executive Match 360™ can be used to support explicit change. This tool measures if the behavior of the management team supports the defined optimal culture. For more information contact your consultant.

6   APPENDIX

6.1 Definition of Organizational Culture

Hofstede defines organizational culture as **the way people in organizations relate to each other, to their work and to the outside world compared to other organizations**.

This definition is both useful and practical. Each part of the definition is clarified below:

"**Relating to each other**" refers to issues such as:

- If a colleague commits an error, will we help him/her or will we do nothing while thinking, "good for me".
- Will we hide from our boss when things go wrong?
- Will our boss genuinely support our career development even if this means that he/she may lose us to another manager or company?

"**Relating to our work**" refers to issues such as:

- Efficient or inefficient task execution
- Productive or unproductive task execution
- Innovative or meticulous task execution

"**Relating to the outside world**" refers to issues such as:

- "We welcome outsiders" versus "We reject outsiders"
- "We go out into the world to learn" versus "We stay inside the organization"
- "We celebrate the customer" versus "Customers are a nuisance"

The last part of our definition reads: "**compared to other organizations**". This last part of the definition points out that culture exists only by comparison. Comparison allows you to identify whether your company's cultural findings are mainstream or exceptional. Without comparison, it would be hard to know whether the optimal culture you defined is attainable or whether it reflects an ideology which will not work in real life.

6.2 Explanation of Dimensions

D1: ORGANIZATIONAL EFFECTIVENESS

D1, the means oriented versus goal oriented dimension is most closely connected with organizational effectiveness.

In a **means-oriented** culture, the way in which work has to be carried out matters most; people identify with the **"how"**.

In a **goal-oriented** culture, outcomes matter most. Employees strive to achieve internal goals and results, sometimes taking substantial risks; people identify with the **"what"**.

In a **means-oriented** culture people perceive themselves as avoiding risks and limiting their effort in their jobs. In this type of culture, work is often routine and each workday is pretty much the same. This type of culture may be functional if, for example, safety in the work situation is crucial for survival.

In a **very means-oriented** culture people may play political games to such a degree that it gets in the way of achieving internal goals and objectives. Such a culture is by definition dysfunctional. The dysfunctional aspects of the dimension are presented by the internal normative window below.

In a **very goal-oriented** culture, the employees are primarily out to achieve specific internal goals or results, even if these involve substantial risks.

In the case of D1, you will want to score as high as possible given the unique limitations facing your company, such as job content, work environment and your own risk tolerance. From a marketplace perspective, scoring higher than one's competitors within the limitations set for the respective line of business or for your specific organization or group will give your company competitive advantage.

D1: Organizational effectiveness

Means-oriented										Goal-oriented
0					50					100

Internal normative window
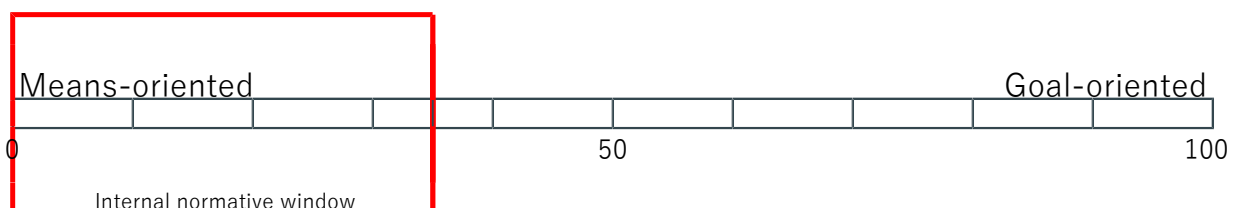
D2: CUSTOMER ORIENTATION

In an **internally driven** culture employees perceive their task towards the outside world as totally given, based on the idea that business ethics and honesty matters most and that they know best what is good for the customer and the world at large.

In a **very internally driven** culture complacency prevails and people will abide to the rules even if they know that this will not be in the interest of stakeholders and their organization alike. Such a culture is by definition dysfunctional. This dysfunctional part of the dimension is presented by the internal normative window below.

In a **very externally driven** culture the only emphasis is on meeting the customer's requirements; results are most important and a pragmatic and flexible attitude rather than an ethical attitude prevails even if this will not be in the longer term interest of the customer.

Dimension D2 is different from dimension D1 because the satisfaction of the customer, client or commissioning party is at stake.

Note that from a cultural perspective no distinction is made between internal or external clients and stakeholders. This dimension does not reflect the degree to which interests of employees are met, which is covered by D6, employee versus work oriented.

The discussion on credit crisis and ethical entrepreneurship has been triggered by the consequence of trying to meet the demands of one group at all costs, namely, shareholders.

D2: Customer orientation
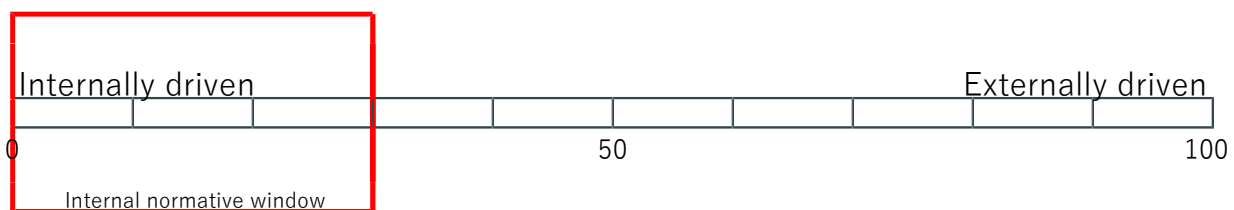
D3: CONTROL

This dimension refers to the amount of internal structuring, control and discipline.

A **very easygoing** culture is characterized by loose internal structure, a lack of predictability, and little control and discipline; people improvise and surprises are common.

In addition, an **extremely easygoing** culture will also enable sloppiness and careless behavior, represented by the internal normative window. Please see below.

A **very strict** work discipline is characterized by the opposite behaviors: people are very cost conscious, punctual and serious.

D3 describes the predictability of internal functioning, whereas dimension D2 indicates to what extent internal functioning is driven by the external needs and demands of customers or clients.

In the case of this dimension we find in organizations of any size and complexity the highest degree of functional diversity. A loose culture enables innovation and quick adaptability to changes in the environment. A strict culture enables cost efficiency, avoidance of failure and rejects, and safety.

In contrast to the other five autonomous dimensions, D3 has two external windows. The size of the strategic window may be decreased on the left-hand side by an external window, which means that aspects of the culture require a degree of strictness. On the other hand, the size of the strategic window may also be decreased on the right-hand side by an external window, which means that other aspects of the culture require a degree of looseness. These windows are created by the way senior leaders answered the online questions to assess the optimal culture and illustrate the complexity of organizations.

D3: Control

Easygoing   Strict work discipline

0   50   100

Internal normative window
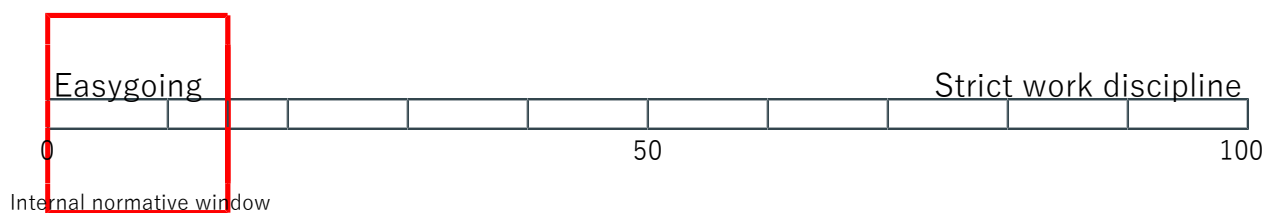
D4: FOCUS

D4 describes the degree of social control and the main focus of employees' identity. In a local company, employees identify with the boss and/or the unit in which they work. In a professional company, employees identify with their profession and/or the content of the job. D4 indicates to what extent employees' behavior is influenced by social norms. For example, in a highly local culture, employees will be strongly influenced by social norms. The degree to which employees identify with the total organization is by **Identification with organization** and is not measured by D4.

In a **very local** culture employees are very short-term oriented and internally focused. There is strong social control to be like everybody else. Local cultures can be functional in situtations where people operate under extreme threat, as in the case of an army at war. Similarly, a local culture can be functional in "Us against the rest of the world" kinds of situations, such as when a pioneer tries to succeed where everybody else has failed.

A **very professional** culture enables people to be oriented toward the long term, to go out into the world to learn about the latest developments, to thrive in a diverse work place. This type of culture enables effective cooperation between different departments and function groups.
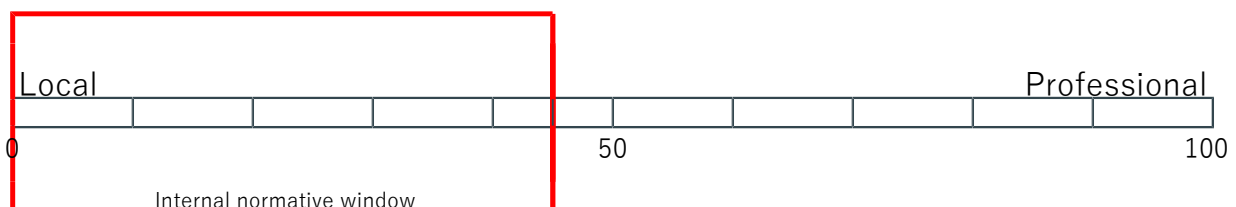
D4: Focus

Local | | | | | | | | | | Professional
0 | | | | | 50 | | | | | 100

Internal normative window

D5: APPROACHABILITY

This dimension relates to the openness of an organization.

In an **open** culture newcomers are made to feel immediately welcomed; people are open to insiders and outsiders alike, and there is a shared belief that almost anyone fits in the organization.

In a **closed** culture secrecy prevails, which may be necessary to protect intellectual property or prevent confidential information from being leaked. In this type of culture, a person has to earn his or her stripes before being accepted. Information travels slowly in a closed culture.

In a **very closed** culture, people feel that they are poorly informed, there is a lot of second guessing, and the grape vine thrives. In this culture, people form in groups and exclude colleagues, which can lead to dysfunction.

This dimension significantly influences the culture of open versus closed communication. D1, means versus goal-orientation, also influences the degree of open or closed communication. In other words, certain combinations of D1, means versus goal-orientation, and D5, open versus closed communication, comprise a sub-dimension defined by the scores on D1 and D5.

This aspect of a culture is most related to employee satisfaction, as our research shows that employees prefer an open culture. Yet, senior leaders will sometimes opt for a more closed culture, for example, to avoid industrial espionage or to secure sensitive information.

D5: Approachability

Open system   Closed system

0   50   100

Internal normative window
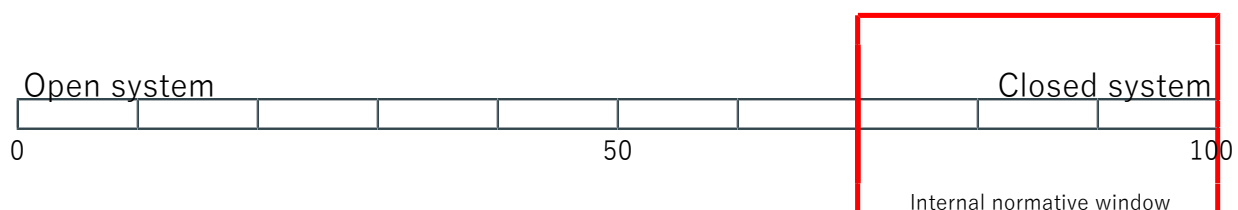
D6: MANAGEMENT PHILOSOPHY

D6, employee versus work orientation, is most tied to the leadership philosophy of top executives, since they create a vision for the culture and set the tone through their actions and behaviors. This dimension opposes a concern for people to a concern versus completing the job, whatever the price may be.

In an **very employee-oriented** culture people feel that managers care about personal problems and that the organization shares responsibility for the welfare of its employees, sometimes at the expense of the work.

In a **very work-oriented** culture there is intense pressure to perform the task regardless of the cost to employees.

This aspect of a culture is most related to employee satisfaction, as in the case of D5, open versus closed system. Our research shows that employees prefer an employee-oriented culture, unless they are extremely ambitious or driven, as in the case of a highly committed sales force that strives to achieve its targets at all costs.

Often management will create a culture scoring more work-oriented than people prefer, as putting people under pressure is often confused with creating a culture which motivates people to work hard. See par. 2.1.

A work-oriented culture may be functional when a challenging situation confronts the organization and/or if employees are very ambitious or driven.

D6: Management philosophy

Employee-oriented   Work-oriented

0   50   100

Internal normative window
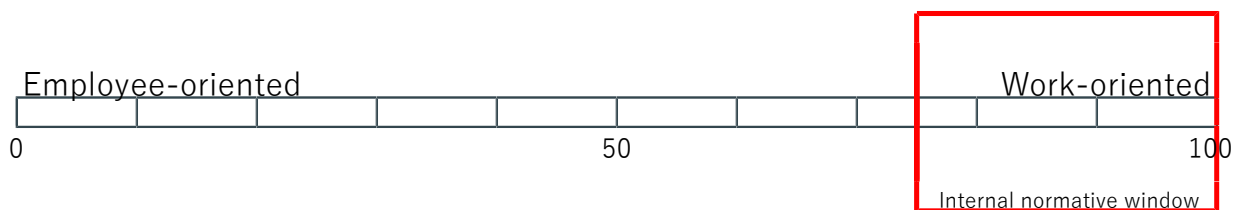
6.3 Normative Windows

An **internal normative window** has a fixed size and represents dysfunctional characteristics of a culture in absolute terms. "Absolute" means that these characteristics are always dysfunctional regardess of your context and requirements. In the case of D1, three out of nine questions comprising this dimension have a normative character. In the case of D1, dysfunctional characteristics include:

- People playing disruptive political games
- People who do not follow through with what they say and promise
- Scapegoating those who didn't do anything wrong

If your actual culture is positioned somewhere between 0 to 35, you are in the danger zone, regardless of the type of organization you need to be.

Next to **internal** normative windows, having a fixed size, we have identified **external** normative windows. External normative windows have a maximum but not a fixed size. For example, external windows may be smaller than the maximum size depending on the environment in which your culture is embedded. The external window will limit the area in which your optimal subculture can be positioned.

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