AESS

Diagnosing Ercoe's Organizational Culture and Indicating Members' Preferred Culture

Author(s)

Tadesse Beyene
Management Trainer and Consulting Expert
Email: *nanta121@yahoo.com*

Abstract

This research examined at diagnosing the existing and preferred organizational culture of the Eritrean Center for Organizational Excellence (Ercoe) and indicated the cultural practice that fits to implement its strategic plan. Organizational culture is a commonly held in-the-mind of organizational members. It's reflected by basic assumptions, rituals and values. These will be the basis how to perceive, think, feel, behave and expect others to behave in the organization. The target population for the survey comprised of Ercoe's full time experts working as management trainers and consultants. The organizational culture of Ercoe was measured using personal interview of the management team by Organizational Culture Assessment Instrument (OCAI) developed by Quinn (1998). The research indicated that the existing organizational culture of Ercoe lied on the clan (collaborate culture) with 40.1 average followed by 23.8 for adhocracy (create culture). Also members' preferred organizational culture was found to be the clan and adhocracy by 36.7 and 30.2 averages respectively. In order to attract the private sector, Ercoe should work hard towards its goal- to enhance market share locally and to penetrate in regional and international markets.

Keywords: Organizational culture, management, leadership

Overview of organizational culture

Organizational culture, in any organization including Ercoe, is a profound stuff that is largely unwritten, unspoken, unknown even to organizational members. So is it possible to really know Ercoe's organizational culture? While admittedly it would be a daunting (and some might claim impossible) task to fully account for all components of the organization's culture, the dominant attributes can generally be identified. In diagnosing the main attributes of Ercoe's organizational culture, Cameron (1999) framework has been used. He outlined the four cultural quadrants as the hierarchy, market, adhocracy and clan which can be summarized as follows.

Control (HIERARCHY)

The seven attributes of hierarchical or bureaucratic organizations include rules, specialization, meritocracy, hierarchy, separate ownership, impersonality and accountability (Weber, 1974). The public sector of Eritrea is very much known for its hierarchy ranging from Director General, Director and Unit Heads. Organizational leadership reinforces rules and favors employees who tend to move up quickly in the organization – demonstrate a matching leadership style. Good example of such organization in Eritrea is the Ministry of Finance who set rules and reinforces for its adherence by all government budgetary units.

Compete (Market)

In order to attract the private sector, Ercoe should work hard towards its goal - to enhance market share locally and penetrate in regional and international markets. Organizational effectiveness depend on achieving goals, outpacing competitors, increasing market share, and acquiring premium levels of financial return. Since any organization is prone to competition, Ercoe's cultural practices should be directed towards the market culture. The various shoe factories are good examples of market culture in Eritrea. Some of the factories emphasized on competition and fight to enhance their market share through intensive marketing strategies such as *their product is unique, excellent design and quality*; while others claim *for durability and reasonable price.*

Collaborate (CLAN)

Collaborate (clan) organizations operated more like families—hence the name—and they valued cohesion, a humane working environment, group commitment and

loyalty. The organizational leaders ensure coordination of organizational activity and confirm all employees share the same values, beliefs and goals. Such organizations are friendly place to work and organizational leaders are warm, parent figure and supportive where people share a lot of themselves. At Ercoe, it is customary to work as a team and this ensures members of the team to share the same values and beliefs. The CEO is providing a coaching assistance to experts and adopted a continuous feedback sessions to evaluate and improve service provision.

Create (Adhocracy)

Adhocratic organizations value flexibility, adaptability, innovation and risk-taking by both employees and leaders. A commitment to experimentation and thinking differently are what unify the organization. Ercoe is working to assist client organizations for improved working systems through the introduction and experimentation of technology and new methods of doing things.

Findings and discussions

Diagnosing Ercoe's Culture

Based on the data collected, Ercoe's cultural profile as depicted on the figure 1 below lied on clan culture. In such type of organizational culture as indicated in the clan (collaborate) culture, the members of the organization have shared values and goals, cohesion, teamwork and it prevails a sense of "we-ness". Organizational effectiveness of such culture is mostly valued for high level of employee morale and satisfaction, collaboration and human resource development.
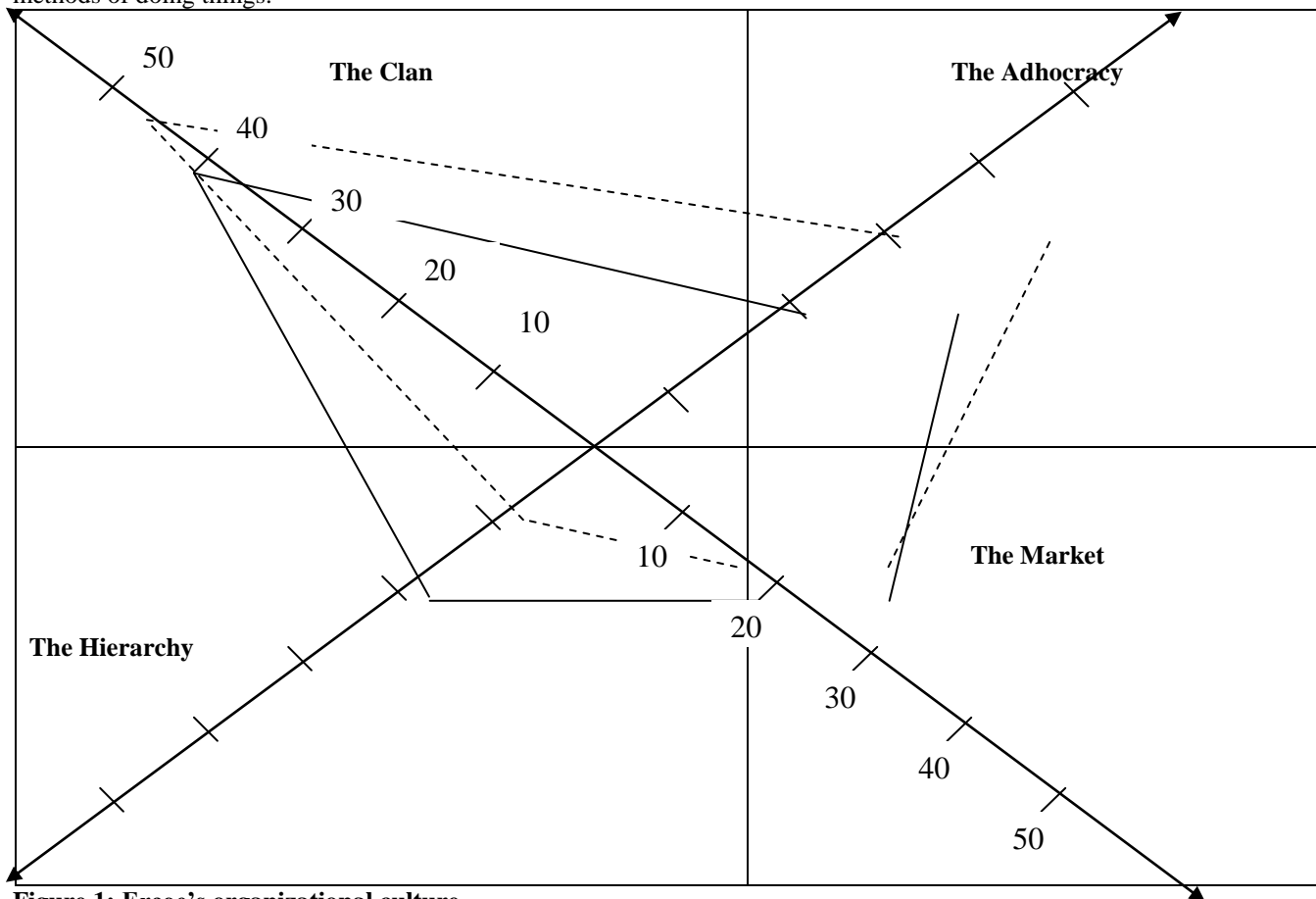

Figure 1: Ercoe's organizational culture

N=9

———————— Members' rating

---------------------- CEO's rating

As it is indicated on the graph above, respondents' average scores totaled to be 40.1 for the clan (collaborate culture) and 23.8 for the adhocracy (create) culture. Referring to the area covered by clan and adhocracy culture, the dominant organizational culture of Ercoe lied on both categories. Therefore, the adhocracy is the second dominant organizational cultural currently exercised at Ercoe. Some of the notable characteristics of adhocracy culture include members work on temporary task forces or committee, dynamic work environment that encourages creativity and flexibility. As management trainers and consultants, Ercoe experts need to be creative and adaptive to fit into the clients' demand.

The CEO of Ercoe replied the questionnaire, for comparison purpose the rating was drawn on the above graph using hyphenated line (see Figure 1). Member's average rating and CEO plots indicate that the dominant organizational culture of Ercoe fall at the same category that is the clan (Collaborate) culture. It is worth noting that there are minor differences in the rating, the CEO rating amounted to be 46.7 for clan while members' 40.1 average. This indicates that the leader's intention to institutionalize the Collaborate Culture at Ercoe is progressing in good pace. Both the CEO (more than 30 rating) and members (23.8) unanimously agreed the second dominant Ercoe's organizational culture as the adhocracy (Create) culture.

The graph also indicate that there is very little preference of the hierarchical culture, (see 7.5 rating by CEO) while Ercoe members rated as 18.6 which seems a significant rating that may require management consideration. The finding also indicated a members rating for market culture (more than 17 average ratings) and, therefore, Ercoe may be required to put some effort to emphasize the market culture in order to fulfill consumers' preferences and compete in the market. Similarly, the CEO rated the importance of market culture by more than 15 and it seems significant to Ercoe's strategic intent. In this case, the findings indicated a market culture to benefit Ercoe and employees for economic and organizational growth.

The following table compares the averages of cultural plot of 1000 U.S.A. organizations and Ercoe's cultural plots at each cultural type.

The tabulated data indicate that Ercoe's rating significantly varies with the average cultural plots of U.S. organizations depending on their working environment. In an environment where competition is high, the organization is expected to compete and lead the market; and hence the organization must challenge its organizational culture practice and plan a change to match its own working environment.

Cultural Type	Average of 1000 U.S rating[1]	Ercoe's rating
The market culture	33.5	17.5
The hierarchy	25.5	18.6
The clan	22.5	40.1
The adhocracy	18.5	23.8

For example, the private and public sectors in Eritrea have the right to choose for credible consultancy services and Ercoe should be in a position to deliver and fulfill clients' expectations. The strategic direction of Ercoe as indicated in its strategic plan, to enhance the market share not only locally, but also in regional and international market reinforces perseverance towards market culture. Ercoe, is therefore, required to question and exercise other cultural plots, whereby some cultural change may entail better organizational performance, for example, the market culture and de-emphasizing and challenging the existing cultural practice say the clan culture. Since any organization, including Ercoe, is prone to competition and market, emphasis on the market culture may give better chance to introduce new products/services and achieve customers' preference through the involvement of customers.

As the below graph shows, Ercoe's preferred cultural plots 19.2, 14.9, 36.7 & 30.2 for market, hierarchy, clan and adhocracy, respectively. The dominant preference of members lied on the clan followed by the adhocracy. The adhocracy culture plot increased to 30.2 in preferred Organizational Culture (OC) from 23.8 averages. The slight increase towards adhocracy culture indicated by members preference may encourage individual initiative, freedom, continuous improvement, set new standards and creativity which in return may lead towards the market culture.

In other cultural quadrants, the market and hierarchy culture, no significant difference is observed between the preferred and existing cultural practices. The market and hierarchic culture averaged from 15 – 19, and Ercoe may be required to consider those cultural practices in the future. Thus, Ercoe's strategy to attract new customers including the private sector must challenge the existing organizational culture and push towards market culture.

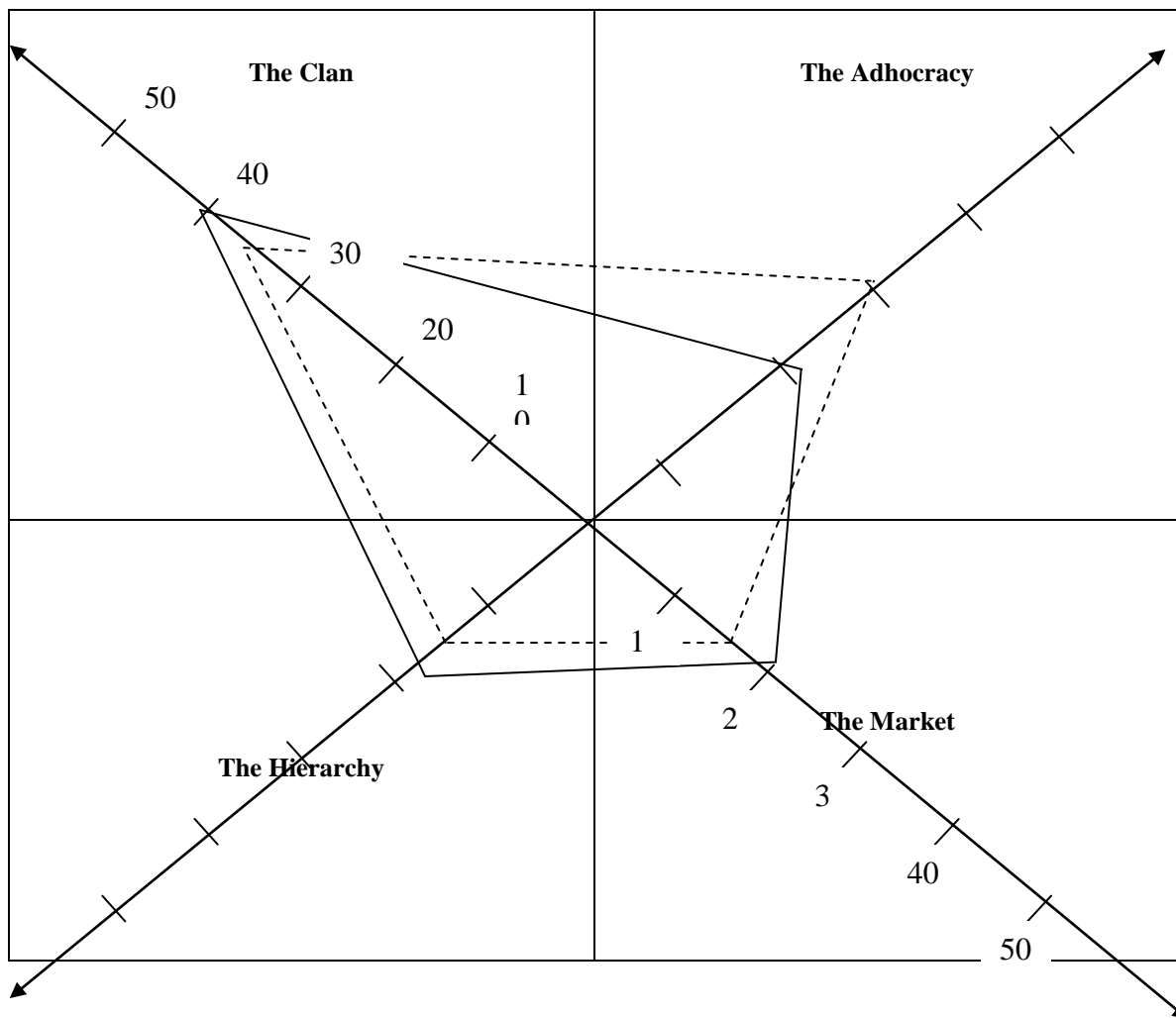[1] Cameron (1999), Diagnosing and changing organizational culture: based on the competing value framework Page 66.

Figure 2: Ercoe's preferred organizational culture

—————————— Now
---------------------- Should

Conclusion and recommendations

- The existing Ercoe's cultural practice is categorized as a clan (collaborate) culture whereby the Centre can be best managed through teamwork, employee development and customers are best thought of as partners. The organization is in the business of developing humane work environment, and the major task of the management is to empower employees and facilitate their participation, develop commitment and loyalty.

- Ercoe's preferred cultural plot indicated the clan as the dominant followed by slight increase towards

adhocracy (Create Culture). The main attributes of adhocracy is characterized by dynamism that

encourages entrepreneurship, experimentation and creativity that is demonstrated in Ercoe's operations.

- The study indicated there is no significant difference between the existing and preferred organizational culture of Ercoe. Since today's organizations are prone to competition, Eroce should challenge the existing culture practices towards competitive culture. Ercoe's management and members should develop their capabilities so that they will attract the private, Non-Governmental Organizations, semi-government

companies and public sectors not only locally but also in regional and international markets.

Bibliography

Arnold, D. R. and Capella, LM. (1985). Corporate cultural and the marketing concept; a diagnostic instrument for utilities, Public Utilities Fortnightly, 116: 32-38.

Beyer, Janice and Cameron, Kim (1997). Organizational culture. Enhancing Organizational Performance, Washington D. C. National Academy Press.

Cameron, Kim S. and Ettington, Deborah R. (1988). The conceptual foundations of organizational culture. Higher Education: Handbook of Theory and Research, pages 356-396. New York: Agathon.

Cameron, Kim S. and Quinn, Robert E. (1999). Diagnosing and changing organizational culture: based on the competing values framework, Addison – Wesley Publishing Company.

Deal, Terrence E. and Kennedy, A. A. (1983). Cultures: a new look through old lenses, Journal of Applied Behavioral Sciences, 19: 498-506

Ernst, R. C. (1985). Corporate cultures and effective planning: An introduction to the organization culture grid. Personnel Administrator, 30: 49-60.

Jerimier, John M., Slocum, John W., Fry, Louis W., and Gaines, Jeannie (1991). Organizational subcultures in a soft bureaucracy: Resistance behind the myth and facade of an official culture. Organization Science, 2: 170-195.

Kets de Vries, M. F. R. Miller, Danny (1986). Personality, culture, and organization. Academy of Management Review. 11: 266-279.

Kotter, John P. and Heskett, James L. (1992). Corporate Culture and performance. New York: Free Press.

Lincoln, James, Hanada, Mitsuyo, and Olson, Jon (1981). Cultural orientations and individual reactions to organizations. Administrative Science Quarterly, 26: 93-115.

McKenney, J. L. and Keen, P. G. W. (1974). How managers' minds work. Havard Business Review, 51: 79-90.

O'Reilly, Charles, Chatman, Jennifer, and Caldwell, David (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. Academy of Management Journal, 34: 487-516.

Quinn, Robert E. and Rohrbaugh, John (1983). A special model of effectiveness criteria: Towards a competing values approach to organizational analysis. Management Science, 29: 363-377.