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EVALUATING THE ORGANIZATIONAL CULTURE FROM ROMANIAN PRIVATE COMPANIES USING THE ORGANIZATIONAL CULTURE ASSESSMENT INSTRUMENT (OCAI)

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Abstract:

Today's society framework is linked to qualities that might impact corporate organizations, such as competitiveness, globalization, market economy, and even economic crises, on both national and international scale. In this environment, a private business must follow current trends by seeking continual quality improvement of its operations to prevent stagnation. The goal of this research is to examine the organizational culture of Romanian private-sector businesses, as this is a unique feature that, if not managed effectively, can have a detrimental impact on a company's quality and competitiveness. The tool used for this research to diagnose the dominant direction of Romania's private companies was the Organizational Culture Assessment Instrument (OCAI). Results indicated that employees would prefer a clan culture, more specifically, a place where people share the same values, and loyalty and traditions are key for a friendly work environment.

Key words: *culture, organizational culture, OCAI, private company*

1. Introduction

The development of the organizational culture starts when the employees' culture and principles are compatible with the company's culture and principles, practically when there is a direct correlation between the two of them. Thus, organizational culture is considered the main variable with an impact on organizational performance. What is more, another influence on the organizational culture is represented by the perception of risk and risk management.

Human resources management is a systematic and rational approach to the management of personnel who, both individually and in teams, contribute to the effective achievement of an organization's goals.

Talking about quality management in private companies, is usually referring to a performance management system (Dinulescu et al., 2018).

Human resource quality is seen as a crucial production input for both economies and businesses. All managers aspire to have productive staff who are willing to work for the company's goals. The term "organizational culture" refers to this. It is one of the strategies that businesses can use to motivate employees to increase their productivity and, as a result, the company's overall performance.

In general, culture refers to a certain style of organizing, implementing, and developing activities that are objectivized in the outcomes of physical and mental labor. The literature on management emphasizes on the concept of culture as a set of rules and values that are generally held throughout a company. It is thought to be a secret recipe that allows them to attract customers and is based on teamwork, ethics, humility, and effort that is centered on the final clients.

Culture is defined as a state or quality shared by a group of people.

The main objectives of this research can be summarized as follows:

- Illustrating the meaning of the organizational culture in private sector companies;
- Implementing the Organizational Culture Assessment Instrument (OCAI) in Romanian private companies;
- Examine organizational structure in light of the fact that it is becoming an important source of competitive advantage, not just for businesses but also for society at large.

Organizational culture is important in every company, whether it is in the public or private sector. In Romania, private industry organizations are rapidly looking to replace public sector organizations because the public sector does not provide decent and well-paid employment options, whilst private sector organizations not only provide good job opportunities but also ensure that their employees have the highest level of job satisfaction.

2. Literature review

2.1 Organizational culture in private sector

The heart of leadership is establishing and maintaining organizational culture, and the manager's behavior has a significant impact on which culture will prevail (Schein, 2004). Poksinska et al. (2013) discovered that Lean leaders alter their leadership style from process management to coaching in order to develop people and foster collaboration and responsibility.

Organizational culture, according to Henri (2006), influences nearly every aspect of organizational relationships. Understanding and building culture may be time and effort intensive (Gimenez-Espin et al., 2013). Organizational culture, according to Rigby and Bilodeau (2011), is just as important as strategy for an organization's success. According

to studies, there is a relationship between the values held by coworkers in the business and the current organizational culture. A resilient culture does not exist without a significant level of agreement on organizational ideals (O'Reilly et al., 1991).

If executives wish to alter an organization's culture, they must engage and establish new practices and behaviors that aim to create open work cultures based on shared values, communication, routines, and rituals, rather than depending just on performance assessment metrics (Snyder et al., 2016).

With limited research employing diverse definitions and measurements, defining organizational performance remains an unresolved topic (Kirby, 2005). As a result, performance has become a widely used concept in management research, and its structure and definition are scarcely defined. Among the most common definitions of performance management is that every firm should focus on increasing its individuals' self-performance, as well as teamwork competencies and individual contributions, to assure the organization's continued success.

Increasing profit and efficiency of goods and services is among the most prevalent explanations for organizational performance.

3. The Organizational Culture Assessment Instrument (OCAI)

In today's world, the Organizational Culture Assessment Instrument (OCAI) is one of the most widely used instruments for analyzing private and public organizational culture (Bremer, 2011). The tool has been intensively employed in a variety of sectors during the previous 10 years. As a result, the OCAI demonstrated to provide an accurate assessment of organizational culture, as well as a strong relationship between culture as measured by the instrument engaged and a range of organizational effectiveness metrics.

Health care, education, religious organizations, national and local governments, community colleges and universities, libraries, data warehouses, military organizations, recreational departments, airlines, ethnic tribes, hotels, athletic teams and national athletic organizations, energy, and family businesses are among the industries that have used the instrument.

The OCAI's major goal is to assist in the identification of a company's present or existing culture (step 1). It also aids in identifying the culture that members of the company feel should be established in order to meet future environmental demands and possibilities that the organization will encounter in the next five years (step 2).

As a main goal, the tool assesses 6 key dimensions of organizational culture, each with 4 alternatives.



Figure 1: Key dimensions of organizational culture

Source: The Authors

The study produced a list of 39 indicators that assessed the effectiveness of the company. Quinn and Rohrbaugh (1983) also conducted statistical analysis on the list, resulting in two primary dimensions with four significant groupings of indicators (as shown in Figure 2):

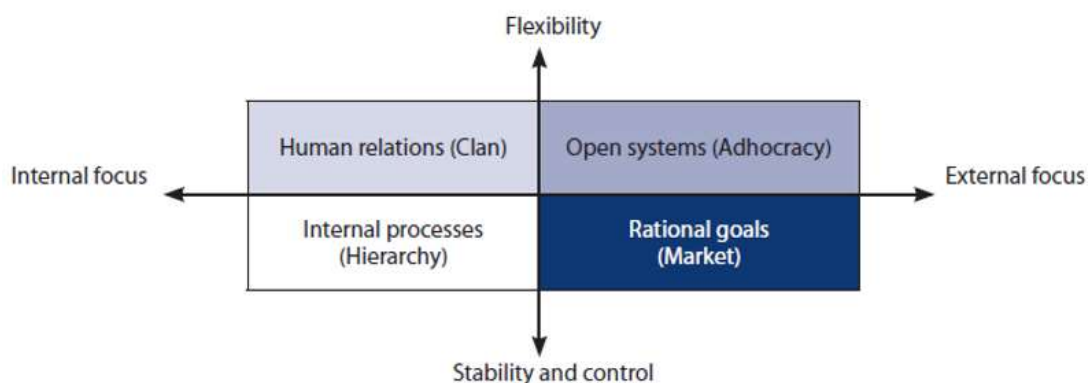


Figure 2. Model of Competing Values Framework

Source: Adapted from Cameron (1999)

The type of organizational culture associated with each quadrant reflects the characteristics of that dimension – human relations (Clan), open systems (Adhocracy), rational goals (Market) and internal processes (Hierarchy) (Lukášová, 2010).

The first form of organizational culture is represented by the hierarchy culture (X) which is characterized by a structured and formalized working climate with a priority for regulations and procedures, where formal rules represent a fortified particularity. Market

culture (Y) dimension is oriented towards a result and goal-based company, where the employees have strong competitive skills. The clan culture (Z) is the third form of organizational culture. Here we find a friendly workplace, where employees share the same values. The last form, adhocracy culture (W) represents a productive workplace where entrepreneurship and creativity are the main particularities. In this environment, employees are willing to accept risks.

4. Research methodology

The 4 months research was conducted in a private sector company from Romania. In total, there were 347 respondents who answered the questionnaires. From this total, 192 were men (55.3%) and 155 were women (44.7%). The demographic data are presented below:

Table 1: Demographic data

Gender	Male	192	55%
	Female	155	45%
Age	18-25	15	4%
	26-35	95	27%
	36-50	113	33%
	>51	124	36%
		347	
Education	High school	63	18%
	Bachelor	61	18%
	Master	138	40%
	PhD	85	24%
		347	
Employment status	Employed	1126	324%
	Unemployed	11	3%
		347	

Source: The Authors

The OCAI survey applied to one Romanian private company consisted of six components, each one of them being analyzed in correlation with four statements, where each statement represented one of the four forms of organizational culture – X, Y, Z and W.

The OCAI instrument implies for the participants to assign 100 points among the 4 statements, to declare to what extent that specific characteristic represents the company at present, and another 100 points to present how the company should look like on a 5-year time horizon. The average score computed for each type of organizational culture has been summarized in a graph.

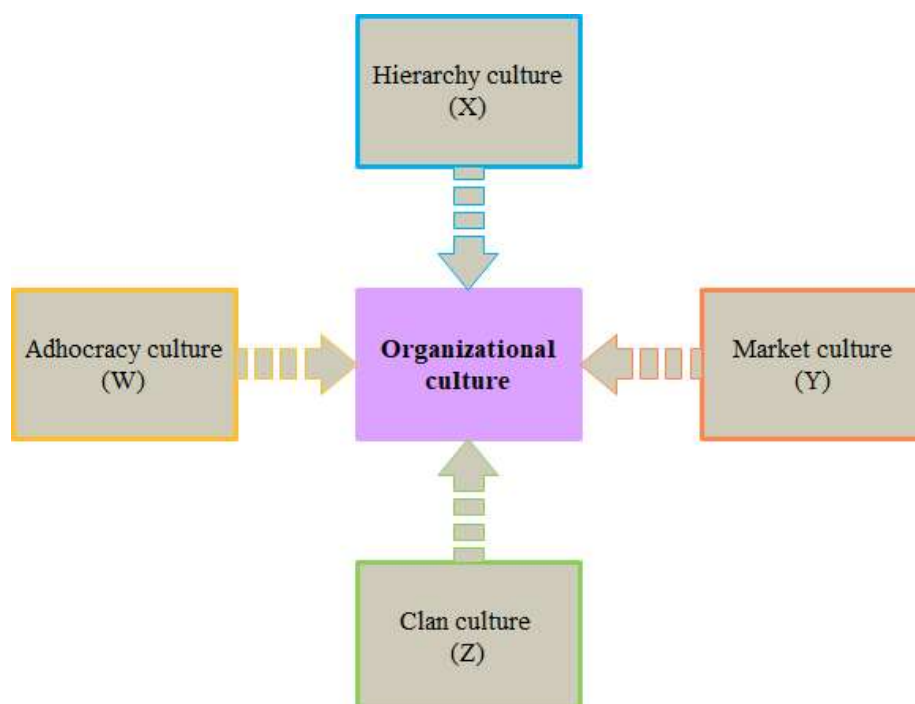


Figure 3: Organizational culture's dimensions

Source: The Authors

The following tables present the questionnaire's results. Table 2 presents the values related to the dominant characteristics of the private companies. Results summarized in table 2 are then transposed to figure 4.

Table 2. Dominant characteristics

	Responses	Arithmetic mean		Arithmetic mean
X	Current situation	25.42	Future situation	21.18
Y		14.53		41.2
Z		32.1		22.19
W		27.95		15.43

Source: The Authors

The first results showed that in the current situation, the Romanian private companies put their accent on a friendly work environment, where employees can share the same values, and the leaders assume the roles of teachers. However, the answers also suggest that the employees would rather prefer Option Y. More specifically, the employees would prefer a competitive environment and goal oriented. Also, they would lean towards the achievement of success.

The second area of interest was the organizational leadership. The results are visible in table 3 and figure 5. In the current situation, the management is formalized and the accent rests on procedures and regulations. Also, the management presents a good coordination and a strong power when it comes to organizing activities.

Thus, for the future situation, results showed that the employees are satisfied with the current organizational leadership, meaning that they prefer the stability and efficiency of the processes, as well as the employment security.

Table 3. Organizational leadership

	Responses	Arithmetic mean		Arithmetic mean
X	Current situation	28.12	Future situation	30.2
Y		22.69		27.6
Z		21.99		14.63
W		27.2		27.5

Source: The Authors

Results from table 4 and figure 6 present next examined area, respectively the management of employees. In the current situation, this area is characterized by a hierarchy culture, meaning that the processes are based on procedures and regulations and the management of employees is mainly focused on the security of employment.

Even if the hierarchy culture seems to be convincing for other environments, employees would rather prefer for the future, the appearance of a clan culture. More specifically, instead of procedures and regulations, employees would prefer a friendly working place, where the professional and personal development of each person is emphasized.

Table 4. Management of employees

	Responses	Arithmetic mean		Arithmetic mean
X	Current situation	26.14	Future situation	25.43
Y		24.69		20.6
Z		23.99		32.4
W		25.18		21.57

Source: The Authors

Table 5 and figure 7 illustrate the organizational glue, more exactly, here we have the factors that consolidate a company. In the current situation, the results present Option Y as the major lead, which is represented by the market culture. Nevertheless, when it comes to organizational glue, employees believe that a clan culture would be the most suitable for the future.

Table 5. Organizational glue

	Responses	Arithmetic mean		Arithmetic mean
X	Current situation	20.69	Future situation	21.44
Y		32.56		18.6
Z		23.74		33.62
W		23.01		26.34

Source: The Authors

Results from table 6 and figure 8 showed that when it comes to strategic emphases, the management tends to keep a hierarchy culture, where rules, procedures and regulations are the most important characteristics. Also, the success of the companies is ensured by the reliability of supplies, adherence to time schedules and low costs. However, in this situation also, for the future, employees chose a clan culture, where the friendly workplace is dominant, and the main particularities are defined by loyalty and traditions.

Table 6. Strategic emphases

	Responses	Arithmetic mean		Arithmetic mean
X	Current situation	28.85	Future situation	23.43
Y		27.17		19.85
Z		16.65		33.15
W		27.33		23.57

Source: The Authors

Answers from table 7 and figure 9 present how the success is emphasized in the companies.

Thus, in the current situation, according to the respondents, the success is ensured by following a market culture, which means that success is illustrated by breaking into market segments and by market penetration.

Nevertheless, employees consider that a clan culture would be more suitable when talking about the success of a company. People think that a family-oriented environment would ensure a higher level of success.

Table 7. Criteria of success

	Responses	Arithmetic mean		Arithmetic mean
X	Current situation	26.85	Future situation	22.43
Y		27.17		19.4
Z		18.23		34.65
W		27.75		23.52

Source: The Authors

The following figures (figure 4-9) present the current and the future situation of the organizational culture found in the Romanian private companies.

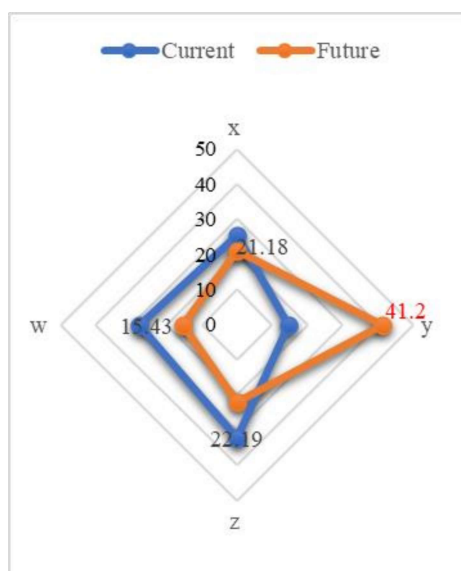


Figure 4. Dominant characteristics

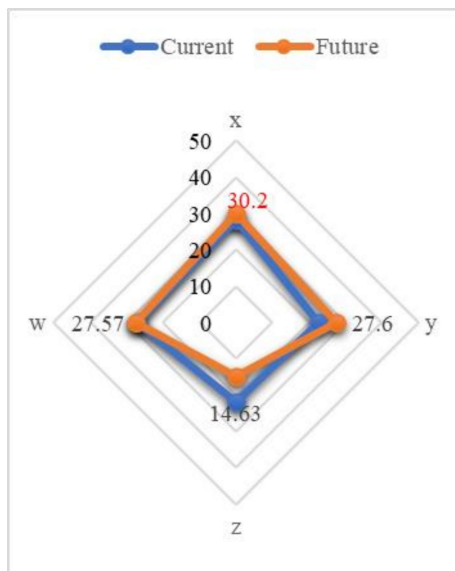


Figure 5. Organizational leadership

Source: The Authors

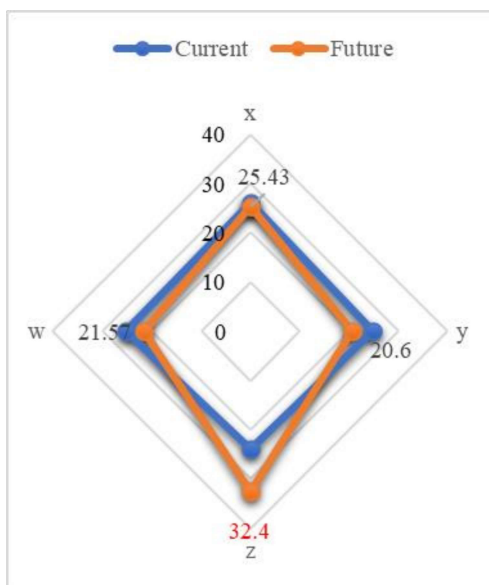


Figure 6. Management of employees

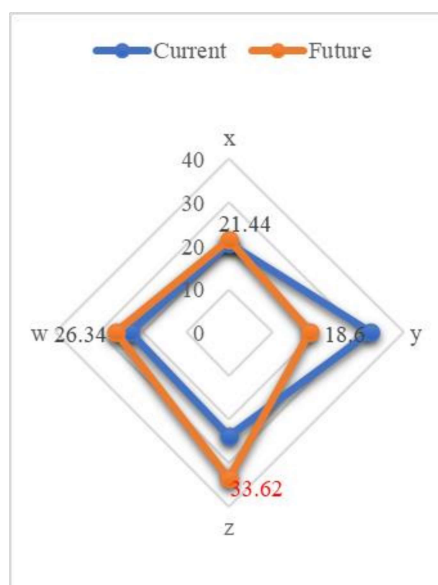


Figure 7. Organizational glue

Source: The Authors

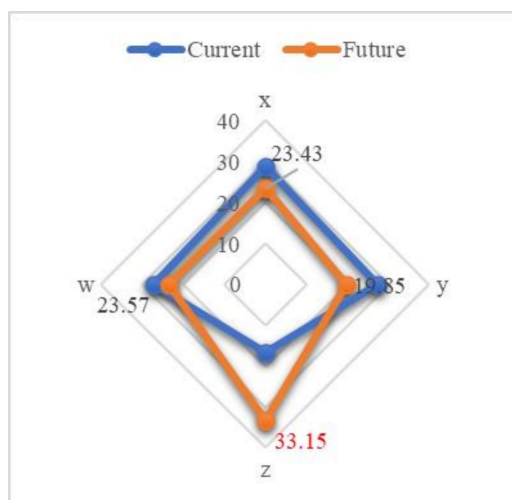


Figure 8. Strategic emphases

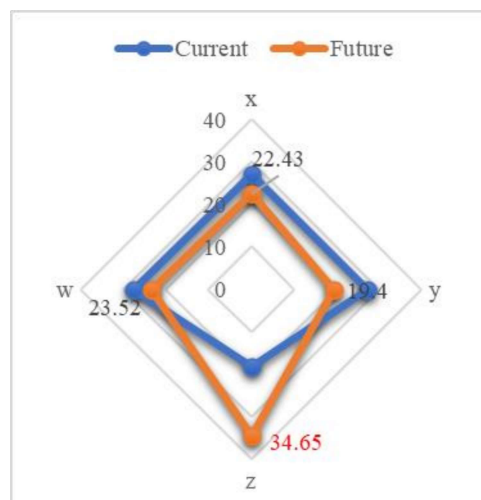


Figure 9. Criteria of success

Source: The Authors

Considering the results collected from our respondents, it can be stated that the current situation regarding the organizational culture revealed that the Romanian companies lean towards an adhocracy culture, where there is a dynamic workplace environment, as well as an entrepreneurial environment. In this type of culture, companies are focused on rapid growth and new resources over the long term. Also, the success is ensured on the achieving of unique original products and services.

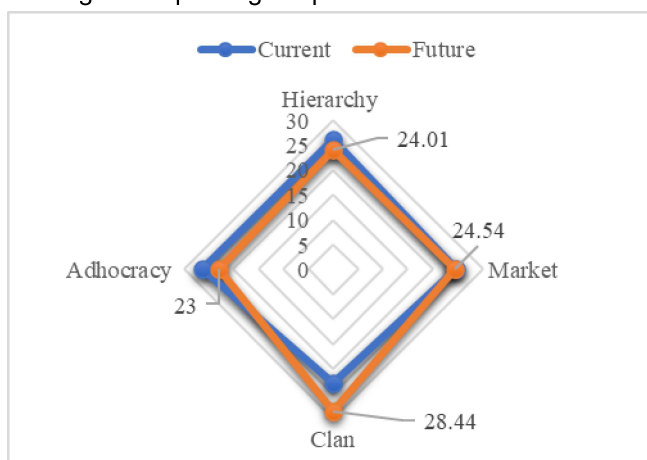


Figure 10. Form of corporate culture in Romanian private enterprises

Source: The Authors

Moreover, table 8 as well as figure 8, present the current and the future situation (the one desired by employees regarding the organizational culture in private companies). If in the current situation, the most predominant form of organizational culture is the one where the main objectives rely on fast growth, however, employees suggest that for a future situation, it would be more suitable an organizational culture where people share the same values, and loyalty and traditions are key for a friendly work environment.

Table 8. Types of corporate culture in Romanian private enterprises

	Responses	Arithmetic mean		Arithmetic mean
Hierarchy culture	Current situation	26.01	Future situation	24.01
Market culture		24.8		24.54
Clan culture		22.78		28.44
Adhocracy culture		26.4		23

Source: The Authors

In this light, one of those important elements of any company is organizational culture, which has an impact on the enterprises' quality. Some Romanian businesses overlook the importance of corporate culture. As a technique, it helps businesses to bring together workers' diverse beliefs, interests, and methods. Members' common values provide a business with the prerequisites for successful employee leadership, leading to increased market success.

5. Conclusion

Organizational culture is a well-known metric for determining an organization's appropriateness for employee motivation, encouragement, and work satisfaction. Individuals who are pleased, joyful, enthusiastic, inspired, and driven are expected to be more productive, creative, loyal, and committed to the employer organization.

Organizations, on the other hand, are fully aware that individuals require a strong, robust, accommodating, supportive, and career-oriented work environment in order to achieve, manage, and retain a useful and qualified work force. The world, as well as the functioning of economies, markets, investments, and institutions, is evolving at a breakneck speed.

As a result, companies are making a significant shift away from their conventional autocratic orientation and toward and adoption of more democratic principles and standards by delegating tasks to lower levels and promoting participation from all sectors and departments. These inevitable infrastructural changes have had a significant impact on the organizational culture, which has grown more team-oriented and offers numerous opportunities for professional advancement.

Currently, successful businesses are emphasizing the importance of presenting and establishing a learning-oriented, encouraging, and demanding work environment for their workers. Organizational working environments are no more simple affairs; they have become increasingly varied, complex, and difficult. The rise of a range of difficulties spanning from and among the workers, such as gender, ethnicity, and nationality, is posing new challenges to today's leaders.

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