

ORGANISATIONAL CULTURE AND LEADERSHIP COMPETENCIES IN ABSA BUSINESS
BANK: ENTERPRISE BUSINESS, GAUTENG.

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by

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DECLARATION

I, Simphiwe Vincent Funani, hereby declare that the work contained in this dissertation is my own original work and has not previously in its entirety or in part been submitted at any university for a degree.

A handwritten signature in black ink, appearing to be 'S. Funani', written over a horizontal line.

Signature

1 November 2013

Date

INTEGRATIVE SUMMARY

This document consists of three sections namely, an evaluation report (section 1), literature review (section 2), and research methodology (section 3). The evaluation report sets out the terms of reference for the research as well as identifying the objectives of the research. It also contains a summary of the literature review section, as well as a research methodology section summary.

The literature review section contains a detailed review of the literature used in this study. This section sets out by reviewing existing literature on the topic of leadership, discussing the key elements of organisational culture and includes a short discussion on the typologies of culture. The Competing Values Framework as an organisational culture typology is discussed in greater detail, since it forms the foundation upon which the measurement and data collection tools for this research are founded.

The research methodology section explains the research methodology and design employed in this study. This section also addresses some of the ethical considerations for this research, as well as how the researcher addressed them. There is also a brief discussion on the limitations of the research and the application of the results.

This research focused on a business unit within Absa Business Bank, named Enterprise Business Gauteng Region, with the aim of investigating the “current organisational culture” in the business unit and the leadership competencies profile of its 11 Sales Managers. This was to provide the basis and departure point for the strategic organisational culture change that the new business unit head would have wanted to effect as the business has a history of non-performance, which the new business unit head aims to change.

In order to diagnose the “current organisational culture” type, an organisational culture measurement tool based on the Competing Values Framework was used. The Competing Values Framework is a four-category organisational culture typology developed by Cameron and Quinn. The framework is based on two dimensions, how stable or flexible the organisation is, and how externally or internally focused it is. This framework was also employed to establish the leadership competencies profile

of Sales Managers, as observed and experienced by the frontline staff, as well as the “desired organisational culture”, as intended by the new business unit head.

Through hypotheses testing, the research revealed a statistically significant difference in perceptions of culture between males and females in the business unit. The perceptions of the female frontline staff about the “current” business unit culture indicated that they find it not to be empowering and less allowing for individuality and risk taking when compared to the male staff. The research also concluded that there is no statistically significant difference between leadership competencies associated with the four categories of the Competing Values Framework in the business unit. Comparisons between the “current” and the “desired” organisational culture revealed a misalignment.

The main recommendations to the new business unit head were to get the leadership competencies of the Sales Managers aligned with the “desired organisational culture” state, and drive a purposive organisational culture change effort. To support this culture change, the espoused values of the business unit would need to be aligned to the desired culture state. To address the differences in perceptions of culture between males and females the business unit head would need to be mindful of the greater need to empower women either in their current roles, or by way of promotions to senior roles.

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SECTION 1: EVALUATION REPORT

EXECUTIVE SUMMARY

Dealing with change and uncertainty in a 21st century organisation has come to be a regular and constant leadership challenge. At times, a change in leadership provides the context and need for organisational change efforts. This research focused on a business unit within Absa Business Bank, named Enterprise Business Gauteng Region, with the aim of investigating the “current organisational culture” in the business unit and the leadership competencies profile of its 11 Sales Managers. This was to provide the basis and departure point for the strategic organisational culture change that the new business unit head would have wanted to effect, as the business has a history of non-performance, a legacy which the new business unit head aims to change.

In order to diagnose the “current organisational culture” type an organisational culture measurement tool based on the Competing Values Framework was used. The Competing Values Framework is a four-category organisational culture typology developed by Cameron and Quinn. The framework is based on two dimensions, how stable or flexible the organisation is, and how externally or internally focused it is. This framework was also employed to establish the leadership competencies of Sales Managers as well as the “desired organisational culture” intended by the new business unit head.

Based on the theoretical background of the Competing Values Framework, two survey questionnaires were developed. One was to be completed by the frontline staff, and the other was to be completed by the new business unit head. The full population of frontline staff in the region’s business unit was sampled for this research with a successful response rate of 30%.

Through hypotheses testing, the research revealed a statistically significant difference in perceptions of culture between males and females in the business unit. The perception of the female frontline employees about the “current organisational culture” in the business unit indicate that they find it not to be empowering and less allowing for individuality and risk taking in comparison to the male staff. The research

also concluded that there is no statistically significant difference between leadership competencies associated with the four categories of the Competing Values Framework in the business unit. Comparisons between the “current” and the “desired” organisational culture revealed a misalignment.

The main recommendations to the new business unit head were to get the leadership competencies of the Sales Managers aligned with the “desired organisational culture” state and drive a purposive organisational culture change effort. To address the differences in perceptions of culture between males and females the business unit head would need to be mindful of the greater need to empower women either in their current roles, or by way of promotions to senior roles.

1.1 Introduction

Absa bank is among South Africa’s five largest commercial banks, accounting for 86% of deposits (Ncube, 2009:13). It traces its origins to the merger of UBS Holdings, Allied and the Volkskas Group in 1991 (Competition Commission, 2012).

In 2005, Barclays Bank, a United Kingdom retail bank, obtained approval to acquire a majority shareholding in Absa (Ncube, 2009:13). Following the Barclay’s acquisition of a majority shareholding in Absa, the group has seen a number of changes in the executive leadership. The most recent of these changes were announced by the group’s Chief Executive Officer, Maria Ramos, in January 2012 (Mail and Guardian, 2012).

It is expected that more changes will be introduced in Absa as the group seeks to align more closely with Barclays Africa by executing the “One Bank in Africa” strategy, which aims to create better opportunities for the group to serve its customers across the African continent (Barclays, 2010: 23).

Enterprise Business, formerly known as Small Business, is a segment of Absa Retail and Business Bank. It serves business customers with an annual turnover below R20 million and is one of three key business focus areas of Absa Business Bank, the other segments being Corporate Banking and Commercial Business.

This segment has also experienced some of the changes that have taken place in Absa. Some of the changes that have taken place since June 2011 have included a change in the headship of the segment, and the dissolution of the support structures dedicated to the regional and head office leadership. The most significant of these changes was an introduction of a new operating model which resulted in an increase in the customer to staff ratio. The changes that have been effected in the business impact and shape the direction to which the organisational culture of the segment is being driven.

One of the most recent changes in Enterprise Business is the appointment of a new business unit head, also known as the Segment Head, for the Gauteng region. The region has had a history of non-performance and the new business unit head has the intention of effecting a culture change that will drive the business towards optimal performance levels.

The terms of reference for this research is thus to investigate the implications of the “current organisational culture” and the leadership competencies profile of Absa Enterprise Business Gauteng so as to provide the departure point for the strategic organisational culture change that may need to be effected.

The first objective of the research is to identify the “current organisational culture” profile for Enterprise Business Gauteng as perceived by the employees of the business unit with specific focus on any differences in the perceptions of organisational culture based on gender and professional level [i.e., Relationship Executives and Enterprise Bankers].

The second objective is to identify the current leadership competencies of the Sales Managers as viewed and experienced by frontline staff, in order to provide a guide for leadership development in Enterprise Business.

This research will plot and interpret “current organisational culture” profile of Enterprise Business. The “current organisational culture” perceived by frontline staff will also be compared to the “desired organisational culture” intended by the business unit head. The research will also plot and interpret the “current” leadership competencies profile for Sales Managers in Enterprise Business as observed and

experienced by their subordinates, in relation to the “current organisational culture” profile of the business.

1.2 Literature Review

This section covers some of the key concepts about organisational culture, including leadership competencies and the role they play in shaping organisational culture. Also discussed are the elements of organisational culture and one of the key frameworks utilised to assess and interpret organisational culture, namely the competing values framework. These points are discussed in the sections that follow.

1.2.1 Leadership Competencies

Leadership has long been identified as a critical factor in organisational success and it has been a focal point of research for hundreds of years (Bolden, 2004:4). In spite of all the interest and inquiry into leadership, there seems to be little consensus as to what leadership truly is and how to define it (Bolden, 2004:4; Fallesen & Horrey, 2003:722). What most definitions commonly cite though is that leadership is about inducing others to take action towards a common goal (Locke, 1991:2-3; Fallesen & Horrey, 2003:722, Cameron, *et al.*, 2006:16-17).

To bridge the gap between the varying views and definitions on leadership, over the years, researchers have developed lenses through which they observe, study, and understand leadership. These lenses include leadership competencies, which offer a sense of structure and consistency for how leadership should be demonstrated by an organisation’s management (Conger & Douglas, 2004:42)

It is important to note that for the purposes of this research, there is a clear distinction to be drawn between competence(s), which is a description of work tasks and outputs and competency(ies), which is the description of behaviour (Bolden & Gosling, 2006:149-150; Horton, 2002:4; Vazirani, 2010:123).

The competence approach was developed in Britain and depended mainly on the functional analysis of job roles to determine expected standards of workplace behaviour (Horton, 2002:9-10). Behavioural competencies on the other hand, derived from the work of Boyatzis (1982) in the United States of America where they identified behavioural competencies of effective and superior managers. The focus

of this research is on leadership competencies of managers in describing their behaviour and interpersonal qualities when inducing actions from followers in order to attain stated organisational goals.

These two approaches influence the competency models developed by organisations, which in turn influence the leadership styles and shape the leadership competencies of the organisation.

Leadership competencies, competency models and frameworks provide critical guidance for identifying what will help leaders become more effective at getting followers to take action and produce the results that both organisations and employees want (Burns, *et al.*, 2012:21). Leadership competencies also provide an important lever to influence the distinct leadership culture that permeates throughout the organisation, as they guide direction, are measurable, can be learned, can distinguish and differentiate the organisation from its competition and can help integrate management practices (Intagliata, *et al.*, 2000:3).

1.2.2 Organisational Culture

Organisational culture is recognised as a key lever in changing an organisation's performance (Harris & Ogbonna, 2000:768). The ability to be aware of, influence and change organisational culture is then important to leaders and managers lest they find themselves being managed by culture, rather than influencing it.

Organisational culture is defined as an enduring set of shared assumptions, values and norms that shape the leadership styles, language and symbols, the procedures and routines, and the definitions of success that make an organisation unique. This definition offers a view of organisational culture that incorporates aspects referred to by various authors such as Clark, *et al.* (2009:124), Martins and Martins (2003:380), and Cameron and Quinn (2006:17).

Stemming from the definition of organisational culture, there are some elements that are important in the construct of organisational culture.

1.2.2.1 Shared Assumptions

Shared assumptions can be seen as the deepest part of organisational culture because they are unconscious and taken for granted (Clark, *et al.*, 2009:125). They are the shared broad worldviews or theories that people rely on to guide their perceptions and behaviours, and typically remain unrecognised, unquestioned, and accepted as truth in the organisation (Cameron & Quinn, 2006:148).

1.2.2.2 Shared Values

Values are general criteria, standards, or principles that guide the behaviour of members of an organisation (Lunenburg, 2011:4). There is a difference between what organisations say they value (“espoused values”) and what is it that they truly value (“enacted values”) (Tharp, 2009:5). Espoused values play an important part in driving and reinforcing organisational culture, where leaders and managers encourage and reward displays of behaviour aligned with them.

1.2.2.3 Shared Socialisation and Norms

Socialisation is the systematic process of introducing new employees to the organisation’s cultural norms in order for them to learn the values, expected behaviour and social knowledge necessary for them to assume their roles in the organisation (Grazulis, 2011:34, Lunenburg, 2011:11).

Norms, on the other hand, refer to the expected standards and patterns of behaviours of groups of members that become an element of the organisation’s culture when shared throughout the organisation (Manetje & Martins, 2009:88).

1.2.2.4 Shared Symbols, Language, Procedures and Routines, and Narratives

When members of an organisation interact, they use common language, symbols, terminology and rituals that differentiate them from members of another organisation (Lunenburg, 2011:2). These observed behavioural regularities form part of the visible aspects of organisational culture.

Shared symbols in the context of organisational culture could be anything from logos, gestures, objects, signs or words that get their meaning from the evolution of norms and the process of socialisation in the organisation.

The language of the workplace is also reflective of the organisation's culture and highlights the values held by the organisational subcultures. The shared phrases, metaphors and other special vocabularies used by organisations and their leaders are also representative of the corporate or organisational culture that may exist in the organisation or the leader's espoused values (Van den Steen, 2010:620).

Shared procedures and routines are the rituals programmed into the daily organisational life and express the organisation's culture, defining how things are in that organisation (Cameron and Quinn, 2006:17). Shared procedures also include ceremonies that are more formalised and conducted specifically for the benefit of an audience to communicate and reinforce the organisation's core values. Shared practices may also be used to indicate what may be considered to be taboo in the organisation.

Narratives are stories drawn from the organisation's history, told to assist in influencing the understanding of individuals or group members about events as well as sharing of knowledge and insight into how the organisation works (Brown, 1995:13).

The shared symbols, language, procedures and routines as well as narratives are the artefacts that can be observed to reflect the underlying shared assumptions, values and beliefs, which form the culture of an organisation.

1.2.3 Functions of Organisational Culture

A strong organisational culture is essential to the organisation because of the role it plays in giving the organisation a distinctive identity, which may lead to the establishment of a competitive advantage over other organisations (Harris & Ogbonna, 2000:769; Cameron & Quinn, 2006:61). This is achieved through the role played by organisational culture in fulfilling three important functions.

Firstly, culture is a deeply embedded form of social control that influences decisions and behaviour of employees (Ojo, 2010:4). Culture operates unconsciously reflecting the prevailing ideology that people in the organisation hold, providing unwritten and often unspoken guidelines for how to get along in the organisation (Cameron & Quinn, 2006:16).

Secondly, organisational culture is the “social glue” that bonds people together and makes them feel part of the organisational experience (Ojo, 2010:4). Employees are motivated to internalise the organisation’s dominant culture, where such a culture fulfils their need for social identity.

Thirdly, organisational culture assists in the process of making sense of and understanding organisational events (Ojo, 2010:4). This mitigates the chances of the organisation losing productive time with employees trying to figure out what is expected of them. It also facilitates an environment that allows for cooperation between employees because they share common mental models of reality (Ojo, 2010:4).

1.2.4 Typologies of Organisational Culture

In order to understand the variety of different organisational cultures, the use of typologies allows for categorisation of different organisations into “types”, thereby simplifying and building higher-order theoretical categories (Schein, 2010:69-70).

Cameron and Quinn (2006) developed a four-category typology based on two dimensions, how stable or flexible the organisation is and how externally or internally focused it is. This typology is known as the Competing Values Framework (CVF) and can be used in researching organisational phenomena such as culture, value outcomes, core competencies, leadership, decision making, motivation, human resources, quality, and employee selection (Cameron and Quinn, 2006).

The CVF is made up of two dimensions that express the tensions that exist in organisations. These dimensions were identified during a study of effectiveness of organisations where some organisations were noticed to be effective when demonstrating flexibility and adaptability, whereas others were effective if they demonstrated the opposite, namely stability and control (Cameron, *et al.*, 2006:7-8). The same study showed that some organisations were effective if they maintained efficient internal processes whereas others were effective if they maintained competitive external positioning relative to customers and clients (Cameron, *et al.*, 2006:8). These differences represent the different ends of two dimensions, each with opposing anchors that make up rudiments of the Competing Values Framework.

One dimension of the CVF represents the continuum ranging from versatility and pliability on one end and durability on the other end. The second dimension differentiates an orientation toward a focus on internal capability and the integration on one end and a focus on external opportunities and differentiation on the other end (Cameron, *et al.*, 2006:9). Figure 2, below, illustrates the relationship between these two dimensions.

These two core dimensions combine to form four quadrants representing a distinct cluster of criteria which can be used to study organisationally relevant factors such as: organisational culture, leadership and leadership competencies. The quadrant labels (Collaborate, Create, Compete, and Control) relate to the nature of the value created in quadrant (Cameron, *et al.*, 2006:9-10).

The two upper quadrants emphasise flexibility and dynamism, whereas the bottom quadrants emphasise stability and control. The two left hand quadrants focus on internal capability and the two on the right focus on external opportunity (Cameron, *et al.*, 2006:11).

The four quadrants represent opposite or competing assumptions on the diagonal. The upper left quadrant emphasises internal, organic focus whereas the lower right quadrant emphasise an external, control focus. Similarly, the upper right quadrant emphasises an external, organic focus whereas the lower left quadrant emphasises internal, control focus. The competing or opposite values in each quadrant gives rise to the name of the model, the Competing Values Framework (Cameron & Quinn, 2006:35-36).

Each of the four quadrants associates with a specific type of organisational culture and leadership and identifies key value drivers linked to a set of competencies and a theory of effectiveness (Cameron, *et al.*, 2006:30-32). Figure 1 below offers a graphical illustration of the Competing Values Framework quadrants.

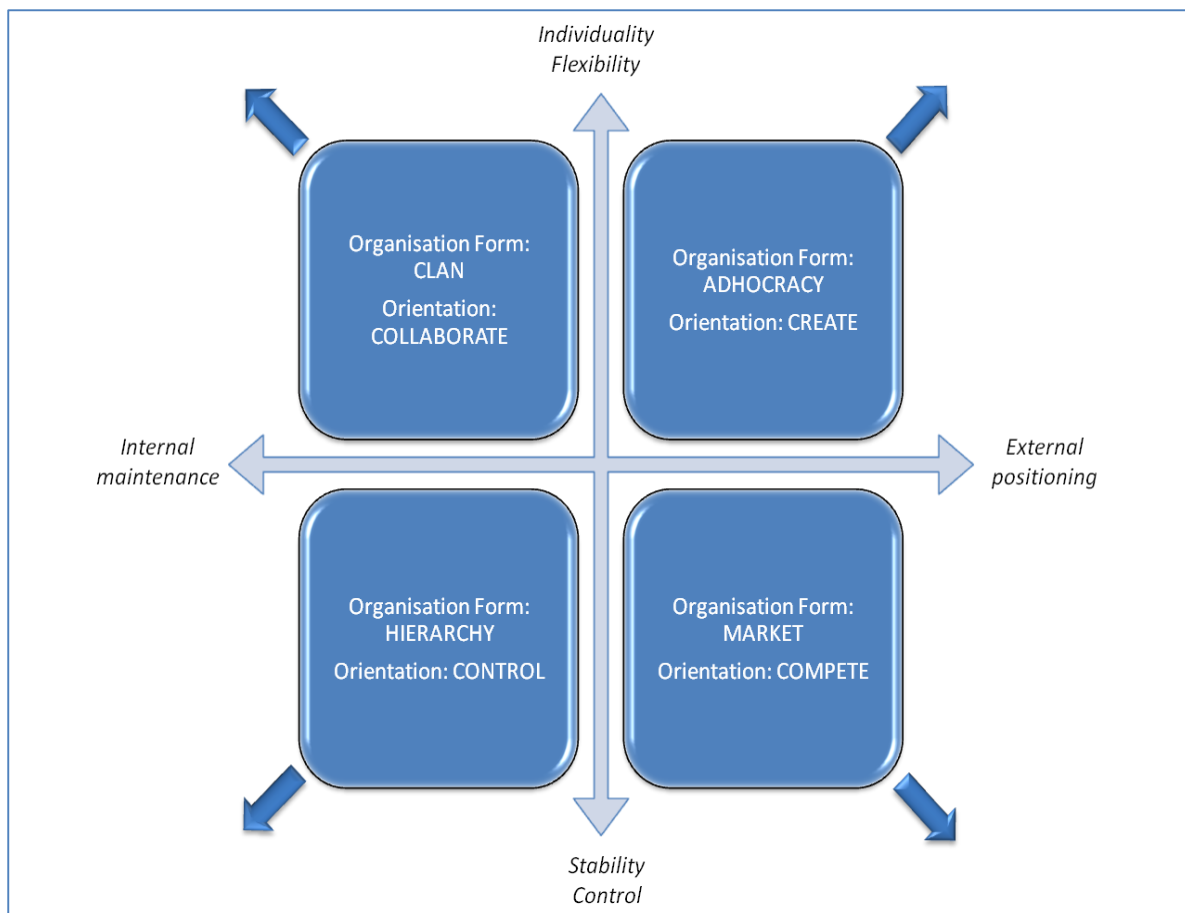


Figure 1: Core dimensions of Competing Values Framework (Source: Cameron, et al. 2006)

Research has confirmed that leaders and organisations tend to gravitate towards one of more of these quadrants over time (Cameron & Quinn, 2006:76). The most effective leaders have, at least, an average level of competency of leadership skills in all four quadrants, and as such, can perform at adequate levels or better in all four quadrants (Cameron, et al., 2006:113). Furthermore, while distinguishing between four different organisational culture types the CVF also identifies the leadership competencies linked with each of them. These culture types are (Cameron and Quinn, 2006):

- Hierarchy – Dominance of the leadership competencies linked with the Control quadrant would drive the organisation toward a culture characterised by a formalised and structured place to work. With this culture procedures govern what people do, where effective leaders are good coordinators and organisers of an organisational form referred to by the CVF as the “Hierarchy”. Here, the long term concerns are stability, predictability, and

efficiency where formal rules and policies hold the organisation together (Cameron & Quinn, 2006:37-38).

- Market – Dominance of the leadership competencies linked with the Compete quadrant would drive the organisation toward a culture characterised by an external orientation with a focus on constituencies such as suppliers, customers, contractors, licensees, unions, and regulators (Cameron & Quinn, 2006:39). This organisational form is referred to as the “Market” and effectiveness in this form of organisational culture is measured by profitability, bottom-line results, strength in market niches, stretch targets, and secure customer bases. The core values that dominate market-type organisations are competitiveness and productivity. The glue that holds the organisation together is an emphasis on winning (Cameron & Quinn, 2006:39).
- Adhocracy – Dominance of the leadership competencies linked with the Create quadrant would drive the organisation toward a culture of “Adhocracy” where there is no centralisation of power and dominance of authority relationships. Power flows from individual to individual or from task team to task team depending on what problem is being addressed. This culture type emphasises individuality, risk taking and anticipating the future. It is characterised by a dynamic, entrepreneurial, and creative workplace (Cameron & Quinn, 2006:43-44).
- Clan – Where the leadership competencies linked with the Collaborate quadrant are dominant the organisation will be driven toward a “Clan” culture characterised by a permeation of shared values and goals, cohesion, participativeness, individuality, and a sense of “we-ness” (Cameron & Quinn, 2006:41). Emphasis is on the long-term benefit of individual development with high cohesion and morale being important. Effectiveness is defined in terms of internal climate and concern for people, teamwork, participation and consensus. The organisation is held together by loyalty and tradition (Cameron & Quinn, 2006:43).

The CVF offers a way to assess the organisational culture, as well as the leadership competencies that exist within an organisation.

1.2.5 Leadership and Organisational Culture

While leadership and organisational culture have been studied and researched over the years, there are only a few empirical studies that combine the simultaneous examination of leadership and organisational culture (Harris & Ogbonna, 2000:771). As a result, most of what is made out of the relationship between organisational culture and leadership is mainly founded on theoretical research. Having said that, the role played by leadership in shaping culture is commonly agreed upon by researchers (Cameron & Quinn, 2006:117; Clark, *et al.*, 2009:125; Harris & Ogbonna, 2000:771; Mozaffari, 2008:687).

The link between leadership and organisational culture is centred on the leader's key strategic and operational decisions which either reinforce the current or alter the culture of the organisation (Clark, *et al.*, 2009). Such leadership decisions then serve as the foundation upon which the shared assumptions, values and beliefs are formed.

The role played by leadership competencies in the formation and maintaining of an organisational culture is then a critical one. For this reason, the importance of altering the management leadership competencies in the organisation in driving organisational culture change efforts cannot be over emphasised (Cameron & Quinn, 2006:117). This is what this research undertook to investigate.

1.3 Research Methodology

The research design involved a survey questionnaire that included the application of the organisational culture assessment instrument (OCAI) and a leadership competencies questionnaire. The data gathered was then used to profile the "current organisational culture" as perceived by frontline employees, frontline employees' observations and experiences of the leadership competencies displayed by their Sales Managers, the "current organisational culture" as perceived by the business unit head, and the "desired organisational culture" as intended by the business unit head.

The questionnaire consisted of three sections. Section one collected biographical information about the respondent, which included age group, gender, and job role in the business unit. Section two assessed the leadership competencies of the Sales

Managers as observed and experienced by frontline employees (Relationship Executives and Enterprise Bankers). Using a 5-point Likert-type interval scale (1 = strongly disagree ... 5 = strongly agree), it consisted of 20 statements or items describing the leadership characteristics of their respective superiors. The four leadership competency factors were constructed by adding their respective individual items together. The variable of leadership was, therefore, divided into 4 factors, namely clan, adhocracy, hierarchy and control.

The third section rated organisational culture and consisted of 24 items, which were also divided into four factors. The development of the measuring instrument in this case utilised a comparative scaling technique

The survey questionnaire was based on research and an organisational culture assessment instrument (OCAI) developed by Cameron and Quinn (1988, 2006). The researcher invited all the Relationship Executives and Enterprise Bankers in the region to participate in the survey. The final response rate was 30% of all the people invited to participate, where 70% of the respondents were Relationship Executives, constituting 60% of the Relationship Executive population, and 30% of the respondents were Enterprise Bankers, constituting 14% of the Enterprise Banker population. In terms of gender, 46% of the respondents were male, and 54% were female.

1.4 Analysis and Results

1.4.1 Hypotheses

The objective of this research is to establish the “current organisational culture” and leadership competencies in the business unit based in Gauteng as perceived by the Relationship Executives and Enterprise Bankers. This will provide a departure point for an organisational culture change that will be driven by the newly appointed business unit head. Three hypotheses were outlined to empirically test the differences in perceptions of culture between Relationship Executives and Enterprise bankers, male and female frontline employees as well as their observations and experiences of leadership competencies displayed by their Sales Managers.

The hypotheses are stated below:

Hypothesis One

H₀: There is no statistically significant difference in perceptions of the “current organisational culture” in the regional business unit between male and female frontline staff

H₁: There is a statistically significant difference in perceptions of the “current organisational culture” in Gauteng region’s business unit between male and female frontline staff

Table 1: Analysis of variance results on perceptions of organisational culture between males and females

Anova: Single Factor						
SUMMARY						
Groups	Count	Sum	Average	Variance		
A (Male)	14	295.8333	21.1310	48.9965		
A (Female)	16	369.5000	23.0938	47.6591		
B (Male)	14	272.5000	19.4643	27.4153		
B (Female)	16	265.0000	16.5625	19.4477		
C (Male)	14	460.0000	32.8571	27.1062		
C (Female)	16	557.1667	34.8229	108.6128		
D (Male)	14	371.6667	26.5476	19.6429		
D (Female)	16	408.3333	25.5208	27.8588		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	4281.7872	7	611.683886 41.5604317	14.7179387	1.7415E-13	2.09238083
Within Groups	4654.76835	112				
Total	8936.55556	119				

Rejection region: Reject H_0 if $p - value < \alpha$

∴ Reject H_0 if $p - value < 0.05$

∴ $1.7415E - 13 < 0.05$

The results of the analysis of variance indicated in table 1 indicate that at a significance level of 5% ($\alpha = 0.05$) there is a significant difference in the mean

scores of males versus females. Therefore, the researcher rejects the null hypothesis.

The organisational culture for the business unit as perceived by male and female frontline staff is as presented in table 2 and the graph shown in figure 2 below:

Table 2: Male and Female perceptions of business unit culture based on OCAI results

Culture Type		"Current" Culture - Overall		"Current" Culture - Males		"Current" Culture - Females	
		MEAN	STD DEV	MEAN	STD DEV	MEAN	STD DEV
A-SCORE	Clan (Q2)	22.18	6.90	21.13	7.00	23.09	6.90
B-SCORE	Adhocracy (Q1)	17.92	4.95	19.46	5.24	16.56	4.41
C-SCORE	Market (Q4)	33.91	8.33	32.86	5.21	34.82	10.42
D-SCORE	Hierarchy (Q3)	26.00	4.85	26.55	4.43	25.52	5.28

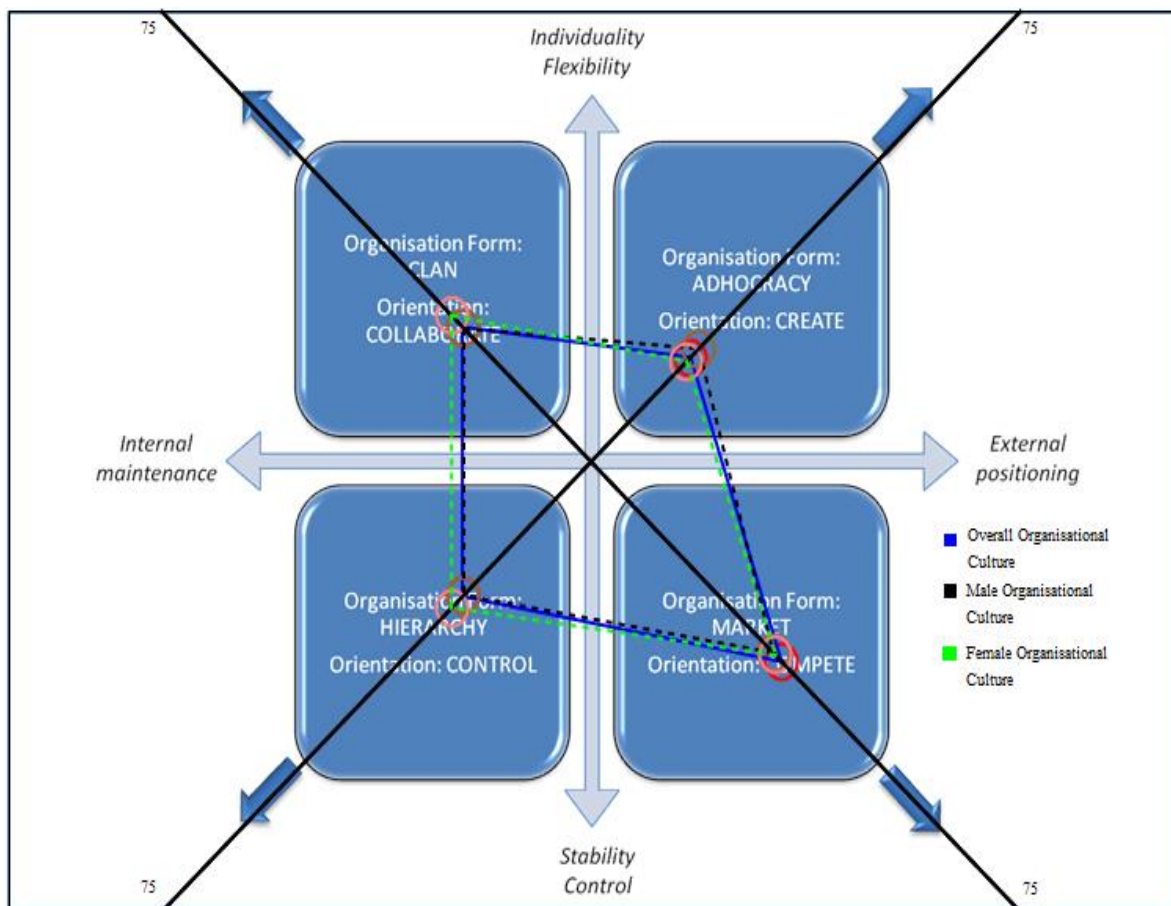


Figure 2: Business unit culture profile based on overall, male, and female perceptions

The graph indicates an alignment in perceptions of organisational culture between males and females in the Gauteng business unit insofar as the order of dominance of the four culture types is concerned. In explaining the conclusion reached for

hypothesis one, the Adhocracy quadrant shows the biggest variation between males and females, with female frontline employees scoring the business unit weaker in the Adhocracy quadrant when compared to the scores obtained from the male frontline employees.

Hypothesis Two

H₀: There is no statistically significant difference in perceptions of “current organisational culture” in Gauteng region’s business unit between Relationship Executives and Enterprise Bankers

H₁: There is a statistically significant difference in perceptions of “current organisational culture” in Gauteng region’s business unit between Relationship Executives and Enterprise Bankers

Due to the weak Enterprise Banker’s response rates in relation to the total population (i.e. only 14% of a total population of 64 bankers) inferences could not be made on the results of the Enterprise Bankers, and as such, the researcher could not test for hypothesis two.

From the results from section 2 of the survey questionnaire as completed by frontline staff, the means for the overall survey results as well as the role specific results are presented in table 2 and the graph shown in figure 3 below:

Table 3: Relationship Executives and Enterprise Bankers perceptions of business unit culture based on OCAI results

Culture Type		"Current" Culture - Overall		"Current" Culture - Relationship Executives		"Current" Culture - Enterprise Bankers	
		MEAN	STD DEV	MEAN	STD DEV	MEAN	STD DEV
A-SCORE	Clan (Q2)	22.18	6.90	22.22	6.81	22.07	7.52
B-SCORE	Adhocracy (Q1)	17.92	4.95	19.14	5.00	15.06	3.64
C-SCORE	Market (Q4)	33.91	8.33	32.48	5.62	37.22	12.44
D-SCORE	Hierarchy (Q3)	26.00	4.85	26.15	5.00	25.65	4.73

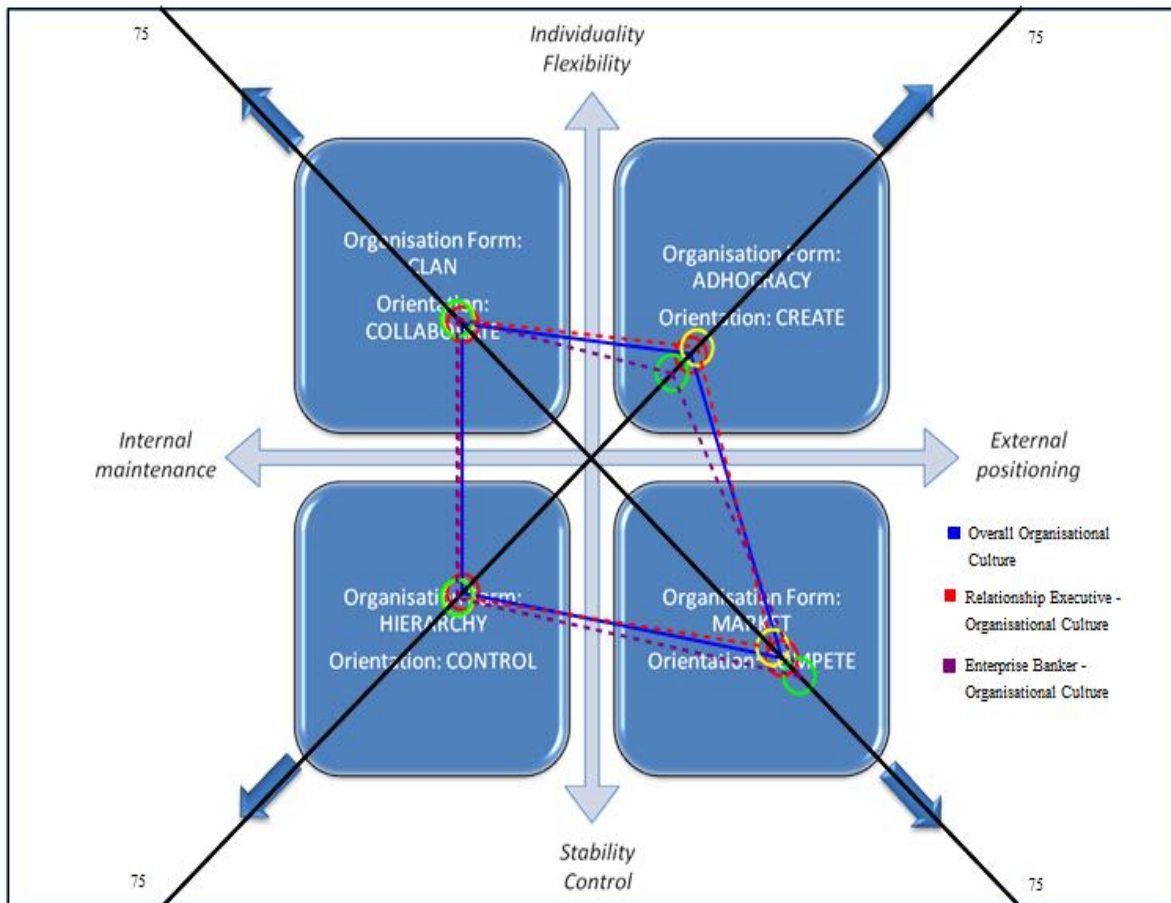


Figure 3: Business unit culture profile based on overall, Relationship Executives, and Enterprise Bankers' perceptions

While the sample response rates and proportions did not allow for the testing of hypothesis two, the graph on figure 3 would suggest that there is some alignment in perceptions of organisational culture between Relationship Executives and Enterprise Bankers in the Gauteng business unit. The Adhocracy and Market quadrants show the biggest variation between Relationship Executives and Enterprise Bankers' perceptions of culture.

Hypothesis Three

H₀: There is no statistically significant difference between the four sets of Sales Managers' leadership competencies

H₁: There is a statistically significant difference between the four sets of Sales Managers' leadership competencies

Table 4: Analysis of variance results on the differences between the four sets of leadership competencies observed and experienced by frontline employees

Anova: Single Factor						
SUMMARY						
Groups	Count	Sum	Average	Variance		
Mean A (Leadership)	30	119.6	3.9867	0.6012		
Mean B (Leadership)	30	123.2	4.1067	0.6062		
Mean C (Leadership)	30	120.4	4.0133	0.9571		
Mean D (Leadership)	30	118.6	3.9533	1.3150		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.39033333	3	0.13011111	0.14957869	0.92977473	2.68280941
Within Groups	100.902667	116	0.86985057			
Total	101.293	119				

Rejection region: Reject H_0 if $p - value < \alpha$

∴ Reject H_0 if $p - value < 0.05$

∴ $0.92977 > 0.05$

The results of the analysis of variance indicated in table 4 indicate that at a significance level of 5% ($\alpha = 0.05$) there is insufficient evidence to show that the mean scores are not the same. Therefore, the researcher fails to reject the null hypothesis.

The graph shown in figure 4 below presents the survey results on the observations of frontline staff with regards to the leadership competencies of their Sales Managers.



Figure 4: Overall results of leadership competencies of Sales Managers

While there were no significant differences reported, the results indicate that the leadership competencies may drive the business towards an external focus, with an orientation towards the Compete quadrant being slightly more prominent. These competencies are linked to the Market organisational form. The current organisational culture, as perceived by frontline staff, aligns with their assessment of the Sales Managers' leadership competencies with regards to the dominant organisational form.

1.5 Discussion of Results and Recommendations

For there to be context for changing the “current organisational culture” there needs to be a comparison made between the “current” organisational culture perceptions and the “desired” organisational culture. For the purposes of this research, the “desired organisational culture” has been considered from the perspective of the business unit head alone, whereas the “current” organisational culture perceptions are measured from frontline staff as well as the business unit head. Both the “current” and “desired” culture were assessed using the Organisational Culture Assessment Instrument. Table 5 and graph shown in figure 5 present a comparison between the “current organisational culture” as perceived by the frontline staff and the “desired organisational culture”.

Table 5: Overall “current organisational culture” perceptions compared to the business unit head’s “desired organisational culture” based on OCAI results

Culture Type		"Current" Culture - Overall	"Current" Culture - Business Unit Head	"Desired" Culture - Business Unit Head
		MEAN	MEAN	MEAN
A-SCORE	Clan (Q2)	22.18	27.50	29.17
B-SCORE	Adhocracy (Q1)	17.92	25.00	33.00
C-SCORE	Market (Q4)	33.91	25.83	25.00
D-SCORE	Hierarchy (Q3)	26.00	23.33	15.00

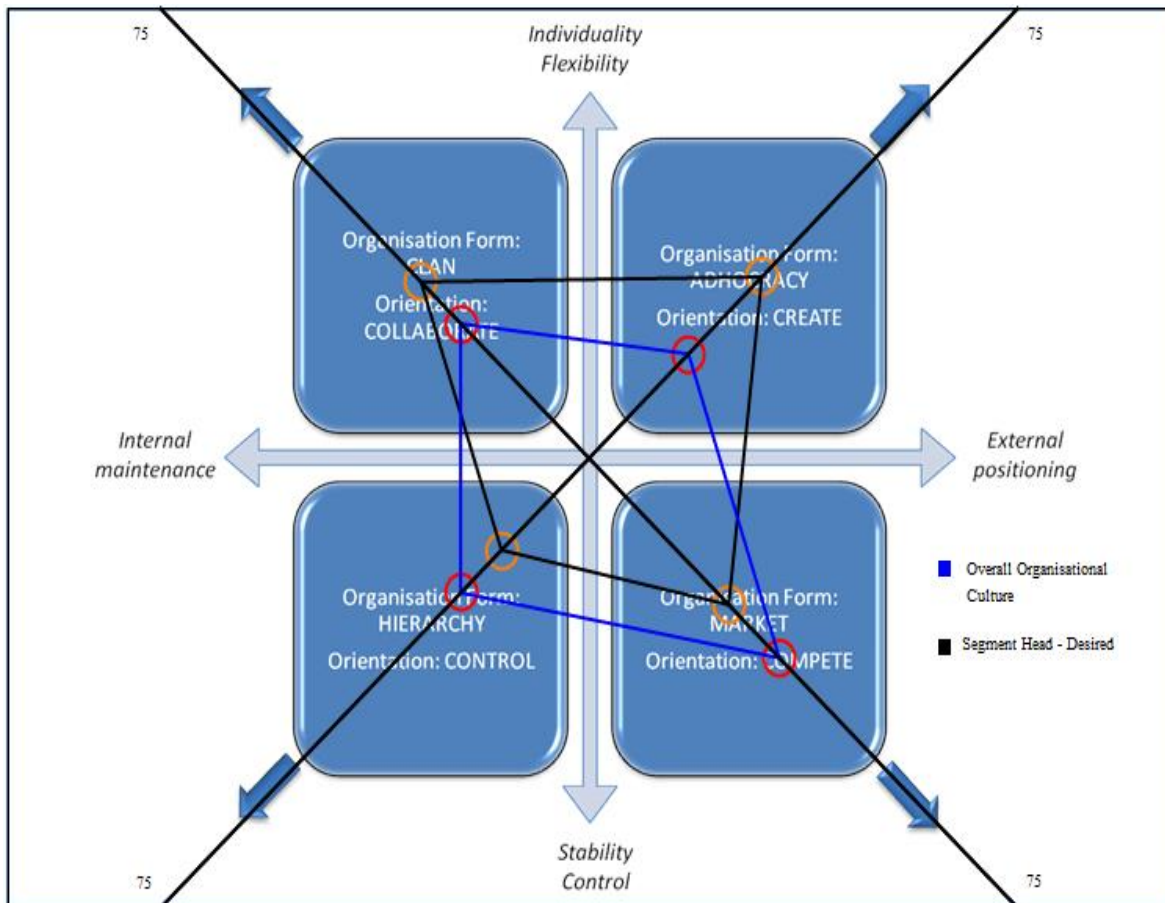


Figure 5: Overall “current organisational culture” profile compared to the business unit head’s “desired organisational culture” profile based on OCAI results

The graph indicates a lack of alignment between the business unit culture as perceived by frontline staff when compared to the desired culture state intended by the business unit head. The culture as perceived by frontline staff views the business as being driven towards stability and control at the expense of allowing for individuality and flexibility with a dominant orientation towards the Compete quadrant, linked to the Market organisation form. The desired culture on the other hand, indicates a desire by the business unit head to drive the business towards prioritising individuality and flexibility, with a desire to have the business driven towards a dominant Create orientation, linked to an Adhocracy orientation form.

The misalignment between the current organisational culture as perceived by frontline staff and the organisational culture desired by the unit head highlights the importance of getting the leadership competencies to be aligned with the desired organisational culture. This alignment is crucial in order to see to the required

changes in the current organisational culture towards alignment with the desired culture.

1.5.1 Differences between the Current Organisational Culture by frontline staff and the Desired Organisational Culture

From the results of the analysis of the survey responses on organisational culture, both "current" and "desired", there seems to be some misalignment, which suggests the need for a purposive organisational culture change effort.

The current culture, as perceived by frontline staff, views the business as being driven towards stability and control at the expense of allowing for individuality and flexibility with a dominant orientation towards the Compete quadrant, linked to the Market organisation form. This perceived current culture state is largely consistent between male and female frontline staff, with the main difference between the two being that males see the business unit as being less of a formal and structured place of work and allowing for more individuality and risk taking, compared to the views of females.

From the response rate across gender, this could be explained by the fact that the Relationship Executive role is a more senior role than the Enterprise Banker in the business unit and as such it is more empowered to make decisions impacting on individuals' portfolios and the business. All but one of the 14 males that responded to the survey are in Relationship Executive positions, whereas half of the 16 females that responded hold the same role. Whilst the differences in the survey results between males and females can be explained by the weighting of the respondents towards either a senior or a junior role, the reality is that males make up two thirds of the Relationship Executives in the region and a third of the Enterprise Bankers.

In order to balance these perceptions between genders, the business unit would have to be mindful of the greater need to empower women either in current roles, or through promotions, so that they may experience the business unit as placing more emphasis on individuality, risk taking, and anticipating the future.

The overall current culture paints a profile of a business that is results-oriented organisation. The major concern in such a business is getting the job done and people are competitive and goal oriented. The leaders are seen as hard drivers,

producers, and competitors, they are tough and demanding. The glue that holds the organisation together is an emphasis on winning. Reputation and success are common concerns and the long-term focus of the business is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration (Cameron & Quinn, 2006:94). Competitive pricing and market leadership are important. The organisational style is hard-driving competitiveness.

The desired culture state, on the other hand, paints a profile of a business that is a dynamic, entrepreneurial, and creative place to work. In such an organisation people stick their necks out and take risks. The leaders are considered innovators and risk takers. The glue that holds the organisation together is a commitment to experimentation and innovation. The emphasis is on being on the leading edge. The organisation's long-term emphasis is on growth and acquiring new resources. Success means gaining unique and new products or services. Being a product or service leader is important and the organisation encourages individual initiative and freedom (Cameron & Quinn, 2006:94).

In order to move the business from a Market culture to that of Adhocracy, leadership competencies of managers across the business will have to be aligned with the desired culture state.

1.5.2 Differences in the Current Organisational Culture and the Leadership Competencies

The initial results of the leadership competencies part of the survey show that the Sales Managers drive a Market organisational culture type, which is consistent with the current perceived culture as measured by the OCAI.

The ANOVA test done for hypothesis three, however, found that there is currently no statistically significant difference between the four sets of leadership competencies. To realise the desired organisational culture state, the senior leadership of the business unit in the region will have to focus on putting dynamism back into the business. This can partly be achieved by nurturing Clan and Adhocracy leadership competencies. Furthermore, Sales Managers should encourage and celebrate risk taking in the business unit, thus fostering creative alternatives and innovation. The

long term view should be on getting the business unit to be more forward-looking and the continual communicating and clarifying of the vision for the future will be key in this regard.

The espoused values of the business unit should be stated such that they align with the direction of the organisational culture change effort, which should be informed by the “desired organisational culture” state. Behaviour that is consistent with these stated espoused values should be recognised and acknowledged in order to further encourage employees to “live” the values. This will ensure that espoused values soon become enacted values and are commonly shared within the business unit, a critical step to the formation and effecting change in organisational culture.

1.6 Future Research

The Competing Values Framework can be applied to many aspects of the organisation to better understand the interrelationships, congruencies and contradictions among these different aspects (Cameron, *et. al.*, 2006:6). Future research utilising this framework could be done on the following:

- Measuring organisational culture in the entire business unit across all employee levels, including managerial staff with a view of the current and desired culture. The findings can be used in gaining a better understanding of the organisational culture as shared in the business unit, and allow leadership to be in a more informed position when seeking to effect organisational culture change.
- Measuring the leadership competencies of the Sales Managers leading successful Sales Areas in comparison to those that are less successful. This will allow for better understanding of what leadership competencies are effective in the business unit, which can then be taught to other Sales Managers.

In addition to the administering of the tools suggested by the Competing Values Framework, the researcher would recommend workshops and focus groups be held when conducting future research on organisational culture so as to gain a deeper level of understanding of the underlying drivers to the culture that is measured through tools such as the OCAI.

1.7 Conclusion

The role played by leadership in shaping organisational culture can never be over emphasised (Cameron & Quinn, 2006:117). For this reason, it is important for leadership to understand and manage the relationship between organisation culture and leadership competencies in the organisation. This research employed hypotheses testing to establish the differences in perceptions of organisational culture between male and female frontline staff in Absa Enterprise Business Gauteng, as well as to identify the leadership competencies they observed in their Sales Managers. The research concluded that there is a statistically significant difference in perceptions of culture between males and females in the business unit. Female frontline staff's perceptions about the "current" business unit culture indicate that they find it not to be empowering and less allowing for individuality and risk taking in comparison to the male staff. The research also concluded that there is no statistically significant difference between leadership competencies associated with the four categories of the Competing Values Framework in the business unit. Comparisons between the "current" and the "desired" organisational culture revealed a misalignment, providing the context for the need to drive a purposive organisational culture change effort.

The recommendations to the new business unit head are to:

- Align the leadership competencies of the Sales Managers with the "desired organisational culture" state
 - Risk taking should be encouraged and celebrated in order to create an environment that supports creativity and innovation
- Continually communicate and clarify the vision for the future of the business
- To establish, communicate and drive espoused values that align with the "desired organisational culture" state
- Recognise and acknowledge behaviour that is consistent with the espoused values in order to encourage employees to "live" the values.
- Work actively at empowering women in the workplace, either through role enrichment or by way of promotions to senior roles.
- Empower women either in their current roles, or by way of promotions to senior roles.

Through these actions, the business unit head would drive the business towards a culture that prioritises individuality and flexibility, linked to an Adhocracy orientation form.

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SECTION 2: LITERATURE REVIEW

2.1 Introduction

Ancient writers, such as Confucius, Aristotle, Socrates, and Plato emphasised the importance of leadership as a prime shaper of societies (Kakabadse & Kakabadse, 1999:1). Since the times of the early writers to date, articles on the subject of leadership have appeared in many pages of major organisational behaviour journals and even today, interest in leadership research remains keen. The Harvard Business Review alone has published nearly 500 articles that reference leadership abstracts, stemming from 1923 (Khurana, 2012:119).

In spite of all the interest and inquiry into leadership, there seems to be little consensus as to what Leadership is or how to define it (Bolden, 2004:4; Fallesen & Horrey, 2003:722). Over the years, researchers have developed lenses through which they observe, study, and understand leadership. These lenses include leadership style, the context of leadership, leadership competencies and other branches of the study (Harris & Ogbonna, 2000:767-768).

Similarly, organisational culture has been a focal point for studies and research over the past decades. Empirical research has been done on the links between organisational culture and other concepts in the field of management and organisational theory such as leadership styles, organisational performance and job satisfaction (Harris & Ogbonna, 2000:768). Where research has been done on the relationship between organisational culture and leadership, evidence has suggested that this relationship is a strong one (Harris & Ogbonna, 2000 :770).

The aim of this review is to provide insight into the construct of organisational culture and its relationship with leadership competencies, which Conger and Douglas (2004:42) describes as offering a sense of structure and consistency for how leadership should be demonstrated by an organisation's management.

2.2 Leadership

Leadership has long been identified as a critical factor in organisational success and it has been the focal point of research for hundreds of years (Bolden, 2004:4). Despite this recognition of the importance of leadership, there is yet to be a single comprehensive definition that covers all aspects of leadership.

Fallesen & Horrey (2003:722) view leadership as 'influencing, motivating, and inspiring others through direct and indirect means to accomplish organizational objectives'. This definition is aligned to Locke's (1991:2-3), who defines leadership as 'the process of inducing others to take action toward a common goal'.

Both definitions highlight the relationship between leadership and followership as a means of getting to the attainment of organisational goals. Leaders induce action from followers in different ways, such as using legitimate authority, setting examples, rewarding and punishing, and communicating a vision (Locke, 1991:2-3). Organisations use leadership competencies to guide the behaviour of leaders when inducing action such that it is aligned to organisational capabilities and desired outcomes (Cameron, *et al.*, 2006:16-17). This is achieved by identifying leadership competencies that are desirable to the organisation, recruiting for them as well as developing them within the organisation.

The next three sections discuss leadership competencies and the role they play in organisational performance.

2.2.1 Leadership Competencies

The competency approach to leadership questions has its origins in the changing economic and political context of the late 1960s in the United States and Britain (Horton, 2002:6). The pressures realised out of increasing globalisation and technological advances at that time prompted a move to improve the standards and performance of the educational system, which was seen to be failing in meeting the needs of the labour market or equipping the workforce with appropriate knowledge and skills to do a good job (Horton, 2002:6-7).

The terms competencies, competence, and competent refer to a state or quality of being able or fit (Vazirani, 2010:123). Two categories of competencies are identified as playing a role in developing organisational effectiveness, they are: personal and corporate competencies (Crawford & Turner, 1994, cited in Cardy & Selvarajan, 2006:236).

Personal competencies refer to the individual's ability to respond to the demands placed upon them by the environment in which they find themselves (Bueno &

Tubbs, 2004:80). They include characteristics such as knowledge, skills, experience and personality.

Corporate competencies, on the other hand, are embedded processes and structures that reside within the organisation even when individuals leave (Cardy & Selvarajan, 2006:236).

This research focuses on personal competencies of leaders in a business unit.

2.2.2 The History of Leadership Competencies

The importance of competencies and competency assessment was first identified by McClelland in 1973 in research that argued that although traditional academic aptitude and knowledge content tests were good predictors of academic performance they were not as good at predicting for “above-average performance” on the job. McClelland (1973) went on to argue that competencies were the best predictors of on the job performance.

Building on from the earlier work by McClelland, a study was commissioned by the American Management Association (AMA) in the early 1980s to explore the concept of “managerial competency” in behavioural and performance terms. The AMA research, which was led by Richard Boyatzis, was commissioned in order to discover which competencies differentiated exemplars from successful managers, and successful from less successful managers. This research involved 1800 managers from 41 different management jobs and 12 organisations where managers were asked to identify the generic knowledge, motives, traits, self-image, social role or skill of a manager delivering a superior level of performance on the job (Horton, 2002:8). This research identified generic behavioural competencies and grouped them into 5 clusters (Bolden & Gosling, 2006:148; Horton, 2002:9). Table 6 below shows the generic behavioural competencies identified by the AMA research grouped into the five clusters namely; goal and action management, leadership, directing, human resource management, and a group of competencies which are labelled as “other focus groups”.

The ideas, concepts and theories developed by McClelland (1973) and Boyatzis (1982), and other US researchers, were exported to Britain through management consultancy firms, educational institutions and American companies based in Britain

in the mid-'80s (Bolden & Gosling, 2006:149). The British government took the lead in driving the research and development relating to managerial competencies after the publication of two reports (Constable and McCormack 1987, Handy 1987) which both indicated the low standing of British management in comparison to its major competitors (Bolden & Gosling, 2006:149; Horton, 2002:9). Britain later developed its own distinctive approach to competencies and competency modelling (Horton, 2002:9-10).

Table 6: Generic behavioural competencies grouped in their respective clusters (Source: Horton, 2002:9)

<p>Goal and action management cluster</p> <ul style="list-style-type: none"> • <i>Concerned with impact</i>: being concerned with symbols of power to have impact on others, concerned about status and reputation • <i>Diagnostic use of concepts</i>: identifying and recognising patterns from an assortment of information by bringing a concept to the situation and attempting to interpret events through use of the concept • <i>Efficiency orientation</i>: being concerned to do something better • <i>Proactivity</i>: being disposed to take action to achieve something 	<p>Human resource management cluster</p> <ul style="list-style-type: none"> • <i>Use of social power</i>: ability to use influence to build alliances, networks, coalitions, and teams • <i>Managing group process</i>: stimulating others to work effectively in groups • <i>Accurate self-assessment</i>: seeing personal strengths and weaknesses and knowing one's own limitations (threshold competency) • <i>Positive regard</i>: having belief in others, being optimistic, being optimistic and valuing others
<p>Leadership cluster</p> <ul style="list-style-type: none"> • <i>Conceptualisation</i>: ability to construct concepts out of data and information • <i>Self-confidence</i>: having presence and being decisive. Knowing what you are doing, believing in it and doing it well • <i>Oratorical skills</i>: making articulate and well communicated presentations to large and small groups • <i>Logical thought</i>: placing events in causal sequences, being orderly and systematic (threshold competency) 	<p>Focus on others cluster</p> <ul style="list-style-type: none"> • <i>Perceptual objectivity</i>: avoiding bias or prejudice, • <i>Self-control</i>: being able to subordinate self interest in the interest of the organisation • <i>Stamina and adaptability</i>: being able to maintain energy and commitment and showing flexibility and orientation to change <hr/> <p>Directing subordinates cluster</p> <ul style="list-style-type: none"> • Threshold competencies of developing others, spontaneity and use of unilateral power

Owing to this history and the differences in approaches to research done by the United States and Britain on the topic of competencies there are now two streams of thought or approaches on the subject. They are: *competence(s)*, which is a

description of work tasks and outputs and *competency(ies)*, which is a description of behaviour (Bolden & Gosling, 2006:149-150; Horton, 2002:4; Vazirani, 2010:123).

The competence approach was developed in Britain and depended primarily on the functional analysis of job roles to determine expected standards of workplace behaviour (Horton, 2002:9-10). Behavioural competencies, on the other hand, derived from the work of Boyatzis (1982) in the USA where they identified behavioural competencies of effective and superior managers.

These approaches influence the competency models developed by organizations, which in turn influence the leadership styles and shape the leadership competencies of the organisation.

The focus of this research is on the leadership competencies of managers to describe their behaviour and interpersonal qualities when inducing actions from followers in order to attain stated organisational goals.

2.2.3 The Importance of Leadership Competencies

Leadership competencies, competency models and frameworks provide critical guidance for identifying what will help leaders become more effective at getting followers to take action and produce the great results that both organisations and employees want (Burns, *et al.*, 2012:21). Leadership competencies also provide an important lever to influence the distinct leadership culture that permeates throughout the organisation, because they guide direction, are measurable, can be learned, can distinguish and differentiate the organisation from its competition and can help integrate management practices (Intagliata, *et al.*, 2000:3). These points are discussed in detail in the sections that follow.

2.2.3.1 Guiding Direction

Clearly defined competencies provide a way for organisations to set out in behavioural terms what its leaders need to do to produce the results the organisation wants and in a way that is consistent and will build on the organisation's desired culture state (Intagliata, *et al.*, 2000:3).

One of the ways to do this is to base the behavioural competencies on the shared values espoused by the organisation. This approach is called the values-based approach to competency modelling (Muratbekova-Touron, 2009:608).

The advantage of the values-based competency modelling approach is that it translates values into behavioural expectations, and helps in clearly establishing a strong organisational culture of how work should be carried out (Cardy & Selvarajan, 2006:242). This allows for the development of both culture and leadership competencies to occur in congruence. The organisation will then be able to develop organisational competencies which will be embodied in the routine performance, skilled practical thinking, and incremental problem solving (Dull, 2010:859).

2.2.3.2 Competencies are Measurable

Clarity in defining expected behavioural competencies allows for them to be measured by way of various instruments, such as 360 degree feedback. The measurability of competencies enables organisations to evaluate the extent to which their leaders are demonstrating the behaviours expected of them as per the defined competencies (Intagliata, *et al.*, 2000:4). Where organisations have taken the values-based competency modelling approach, measuring competencies also allows for the assessment of congruence between leadership competencies, as well as the cultural characteristics of the organisation.

Not all competencies can be easily defined and measured. Some competencies such as personal characteristics, traits and motivation may require the use of measurements that meet professional standards such as psychometric testing (Muratbekova-Touron, 2009:608; Vazirani, 2010:128).

2.2.3.3 Competencies can be Learned

Leadership competencies are operationalised through routine performance, skilled practical thinking, and incremental problem solving skills that are shared throughout the business (Dull, 2010:859). This sharing is done by putting in place comprehensive learning paths to address areas where there are gaps in the current leadership competencies when compared with the desired organisational competencies (Vazirani, 2010:127). This allows for structure and coherence in the organisation by standardising the development agenda of the business.

2.2.3.4 Competencies can Distinguish and Differentiate an Organisation

Whilst there may be competencies that are generic and transfer across individuals, many competencies are unique to organisations (Cardy & Selvarajan, 2006:237). By identifying and clearly defining the desired leadership competencies an organisation can encourage a level of conformity in leadership behaviour. This conformity would in turn characterise the leadership of the organisation, ultimately impacting on the organisation's culture. Both the leadership character and the organisational culture form the foundation upon which core competencies can be established to distinguish the organisation from its competitors (Cardy & Selvarajan, 2006:235-236).

2.2.3.5 Competencies can help integrate management practices

Appropriately defined competencies allow for alignment throughout the organisation by providing a structured model that can be used to integrate management practices, set expectations in the leadership role and enable employees to self manage their performance (Vazirani, 2010:127).

2.3 Organisational Culture

Organisational culture is a significant concept in the study of organisational behaviour, especially as it is recognised as a key lever in enhancing organisations' performance (Harris & Ogbonna, 2000:768).

2.3.1 Approaches to the study of Organisational Culture

Over the decades of study in the field of organisational culture, two main disciplinary foundations have emerged being; sociological and anthropological foundations (Cameron, 2004:3).

Sociological foundations argue that organisations *have* cultures while anthropological foundations argue that organisations *are* cultures. Within these two foundations, two different approaches have been developed; a functional approach and a semiotic approach (Cameron, 2004:3). The functional approach assumes that differences among organisational cultures can be identified, changed and empirically measured. The semiotic approach, on the other hand, assumes that nothing exists in

organisations except culture and culture serves as a predictor of other organisational outcomes such as effectiveness (Cameron, 2004:3).

A majority of researchers have adopted a functional, sociological perspective by agreeing that organisational culture refers to organisational values, underlying assumptions, expectations which characterise the organisation and its members (Cameron, 2004:3).

This research also adopts the functional, sociological approach in that culture is viewed as one of the key aspects within organisations that can impact on organisational effectiveness. Organisational culture influences and is influenced by other aspects such as leadership and is measurable through its observable artefacts.

2.3.2 Defining Organisational Culture

There are many definitions of organisational culture and early research on this topic has, at times, interpreted these numerous definitions as a weakness in the concept of organisational culture (Mozaffari, 2008:679). Schein (2010:2), however, sees this not so much as a weakness, but rather an opportunity for the development of new concepts in this evolving field.

Clark, *et al.* (2009:124) define culture as a collective phenomenon emerging from the organisation's members' beliefs and social interactions containing shared values, mutual understandings, patterns of beliefs, and behavioural expectations that tie individuals in the organisation together over time. Whilst this definition highlights some foundational elements of organisational culture it also emphasises the passing down of beliefs that have proven effective over time through the organisation, which form part of the organisation's shared history (Clark, *et al.*, 2009:124).

The effectiveness of these beliefs stems from the organisation's ability to successfully deal with two major sets of problems being; (1) survival, growth, and adaptation in the environment as well as (2) internal integration that permits daily functioning and ability to adapt and learn (Schein, 2010:18).

Martins and Martins (2003:380) emphasise organisational culture as a "differentiator" between organisations in their definition of organisational culture as "a system of shared meaning held by members, distinguishing the organisation from other

organisations”. The role played by organisational culture in distinguishing one organisation from others is also noted by other researchers who argue that the unique quality of organisational culture makes it a potentially powerful source of generating advantage for an organisation over its competitors (Cameron & Quinn, 2006:4; Harris & Ogbonna, 2000:769).

Cameron and Quinn (2006:17) argue that organisational culture is reflected by what is valued, the dominant leadership styles, the language and symbols, the procedures and routines, and the definitions of success that make the organisation unique. This argument highlights the observable qualities of organisational culture and overlooks the “under the surface” aspects such as belief systems and ideologies, which play an even more critical role in the formation and sustaining of organisational culture (Gordon, 1991:397).

A review of the definitions for organisational culture done by Cameron and Ettington (1988, cited in Cameron & Quinn, 2006:147) revealed that in a majority of cases, culture has been identified as an enduring set of values, beliefs and assumptions that characterise organisations and their members.

For the purposes of this research, organisational culture will be defined as an enduring set of shared assumptions, values and norms that shape the leadership styles, language and symbols, the procedures and routines, and the definitions of success that make an organisation unique. This definition offers a view of organisational culture that incorporates aspects referred to by various authors such as Clark, *et al.* (2009:124), Martins and Martins (2003:380), and Cameron and Quinn (2006:17).

The external environment and internal integration impacts highlighted by Schein (2010) are acknowledged as an integral part of the patterning process that leads to assumptions, values and norms being shared amongst the organisation’s members

The next section discusses the elements of organisational culture as cited in the definition noted for this research.

2.3.3 Elements of Organisational Culture

2.3.3.1 Shared Assumptions

Shared assumptions can be seen as the deepest part of organisational culture because they are unconscious and often taken for granted (Clark, *et al.*, 2009:125). They are the shared broad worldviews, or theories that people rely on to guide their perceptions and behaviours. They typically remain unrecognised, unquestioned and accepted as truth in the organisation (Cameron & Quinn, 2006:148). Research done by Schein (1986) highlighted shared assumptions as the very essence of organisational culture.

History plays a part in the formation of shared assumptions, as it is out of the experience of employees in solving organisational problems that these shared assumptions are developed, invented or discovered (Smith, 2003:249). Given that these assumptions have proven effective in the past, they are viewed as being valid by new and future employees and in that manner, they are passed down and throughout the organisation (Clark, *et al.*, 2009:124; Manetje & Martins, 2009:89). This process conveys a sense of identity to employees, enhancing the stability of the social system that they experience within the organisation (Cameron & Quinn, 2006:16).

2.3.3.2 Shared Values

Values are general criteria, standards, or principles that guide the behaviour of members of an organisation (Lunenburg, 2011:4). Deal and Kennedy (1982:14) identify them as basic concepts and beliefs about conditions that are very important and meaningful to employees, and are stable over time. They help employees identify what is right or wrong, good or bad for the organisation.

Literature differentiates between what organisations say they value (“*espoused values*”) and what it is that they truly value (“*enacted values*”) (Tharp, 2009:5). Lunenburg (2011:4) further breaks down espoused values to differentiate between “*terminal*” and “*instrumental*” values where a terminal value is the desired outcome that the organisation members seek to achieve such as quality, excellence, and success. An instrumental value is a desired mode of behaviour such as offering good quality service at all times, valuing diversity in the workplace, and maintaining high

standards at all times (Lunenburg (2011,4). Organisational culture is driven and reinforced by encouraging and rewarding displays of behaviour, aligned with instrumental values that assist the organisation to get to the terminal values.

When common and shared, these values lead to more delegation and less monitoring in the workplace as they guide what employees do when they are not told or being directly monitored (Van den Steen, 2010:617).

2.3.3.3 Shared Socialisation and Norms

Socialisation is the systematic process of introducing new employees to the organisation's cultural norms in order for them to learn the values, expected behaviour and social knowledge necessary for them to assume their roles in the organisation (Grazulis, 2011:34; Lunenburg, 2011:11). This process is critical in the role played by culture to maintain consistency in the organisation, and in the creation of shared values.

Norms refer to expected standards and patterns of behaviours of groups of members that become an element of the organisation's culture when shared throughout the organisation (Manetje & Martins, 2009:88). Patterns of behaviour that are considered acceptable or typical for a work group facilitate the setting of the expected standard (Lunenburg, 2011:2).

While an organisation may have stated values which it espouses to, norms are a manifestation of the enacted values of the organisation (Coetzee & Martins, 2011:2).

2.3.3.4 Shared Symbols, Language, Procedures and Routines, and Narratives

When members of an organisation interact, they use common language, symbols, terminology and rituals that differentiate them from members of another organisation (Lunenburg, 2011:2). These observed behavioural regularities form part of the visible aspects of organisational culture.

Shared symbols in the context of organisational culture could be anything from logos, gestures, objects, signs or words that get their meaning from the evolution of norms and the process of socialisation in the organisation.

The language of the workplace is also reflective of the organisation's culture, highlighting the values held by the organisational subcultures. The shared phrases, metaphors and other special vocabularies used by organisations and their leaders are also representative of the corporate or organisational culture that may exist in the organisation or the leader's espoused values (Van den Steen, 2010:620).

Shared procedures and routines are the rituals programmed into the daily organisational life and express the organisation's culture, defining how things are in that organisation (Cameron and Quinn, 2006:17). Shared procedures also include ceremonies that are more formalised and conducted specifically for the benefit of an audience to communicate and reinforce the organisation's core values. Shared practices may also be used to indicate what may be considered to be taboo in the organisation.

Narratives are stories drawn from the organisation's history told to assist in influencing the understanding of individuals or group members about events as well as sharing of knowledge and insight into how the organisation works (Brown, 1995:13).

The shared symbols, language, procedures and routines, as well as narratives are the artefacts that can be observed to reflect the underlying shared assumptions, values and beliefs, which form the culture of an organisation. Figure 6 below illustrates the relationship between these elements of organisational culture as discussed above.

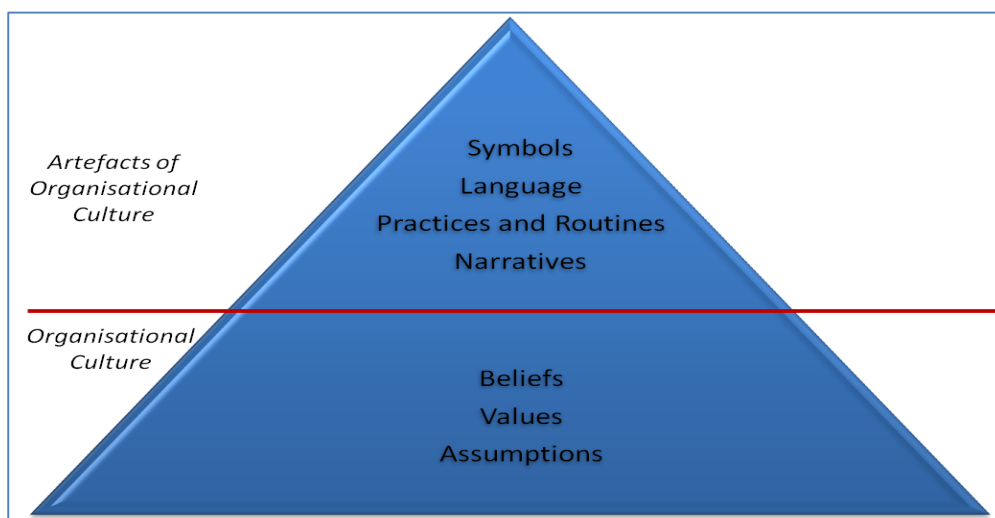


Figure 6: Elements of Organisational Culture (Adapted from Gordon, 1991:397)

The next section discusses the functions of organisational culture.

2.3.4 Functions of Organisational Culture

A strong organisational culture is important to the organisation because of the role it plays in giving the organisation a distinctive identity, which may lead to the establishment of a competitive advantage over other organisations (Harris & Ogbonna, 2000:769; Cameron & Quinn, 2006:61). This is achieved through the role played by organisational culture in fulfilling three important functions.

Firstly, culture is a deeply embedded form of social control that influences the decisions and behaviour of employees (Ojo, 2010:4). Culture operates unconsciously, reflecting the prevailing ideology that people in the organisation hold, providing unwritten and often unspoken guidelines for how to get along in the organisation (Cameron & Quinn, 2006:16).

Secondly, organisational culture is the “social glue” that bonds people together and makes them feel part of the organisational experience (Ojo, 2010:4). Employees are motivated to internalise the organisation’s dominant culture, where such a culture fulfils their need for social identity.

Thirdly, organisational culture assists in the process of making sense of and understanding organisational events (Ojo, 2010:4). This mitigates the chances of the organisation losing productive time, with employees trying to figure out what is expected of them. It also facilitates an environment that allows for cooperation between employees, as they share common mental models of reality (Ojo, 2010:4).

It is important to note that a culture that is considered to be strong does not necessarily mean that it is considered to be “good”. Whether an organisational culture is good or bad depends on the relationship between the organisational culture and the environment within which it exists (Schein, 2010:13). The strong culture referred to in this section is one where employees value the organisation’s core values and share them, leading to high levels of commitment (Coetzee & Martins, 2011:2).

2.3.5 Typologies of Organisational Culture

In order to understand the variety of different organisational cultures, the use of typologies allows for categorisation of different organisations into “types”, thereby simplifying and building higher-order theoretical categories (Schein, 2010:69-70).

Schein (2010), however, also advises against the use of surveys and typologies in assessing culture on the basis that while the results may be accurate in what is measured, it is superficial. He further argues that culture is an intrinsically shared phenomenon that only manifests itself in interaction, citing some of the limitations to the use of surveys in measuring culture as (Schein, 2010:159-161):

- Not knowing what to ask when measuring culture, with each survey claiming to analyse “the culture” with no certainty as to how to evaluate those claims over other surveys.
- Employees may interpret questions differently, making it difficult to infer a “shared” concept from individual responses.
- The sample of employees surveyed may not be representative of the key culture carriers. For this, prior knowledge of the subcultures within the organisation is important to identify certain groups and test for survey differences between those groups.
- Employees may not be motivated to be honest in spite of the assurances of confidentiality.

Kruger, *et al.* (2005) share some of the concerns raised by Schein (2010) over the use of surveys since they provide the least control over the conditions under which employees may reflect their views.

Having noted the challenges to the use of surveys, there remains cases where the use of surveys may be useful, such as times where the objective is to give an organisation a culture profile of itself in order to stimulate deeper analysis of the culture in that organisation (Schein, 2010:161-162). It is important to note that in these cases, the focus of the survey should be on measuring how the employees perceive culture as opposed to an absolute measure of the culture itself.

There are a number of typologies that seek to capture and describe organisational culture. One of the most influential and most extensively used typologies in research on the subject of organisational culture is the Competing Values Framework (Yu, 2009:37). This framework, along with its uses, is discussed in greater detail in later sections.

2.4 Leadership and Organisational Culture

While leadership and organisational culture have been studied and researched over the years, there are only a few empirical studies that combine the simultaneous examination of leadership and organisational culture (Harris & Ogbonna, 2000:771). As a result, most of what is made out of the relationship between organisational culture and leadership is mainly founded on theoretical research. Having said that, the role played by leadership in shaping culture is commonly agreed upon by researchers (Cameron & Quinn, 2006:117; Clark, *et al.*, 2009:125; Harris & Ogbonna, 2000:771; Mozaffari, 2008:687).

Clark, *et al.* (2009) note the link between leadership and organisational culture to be centred on the leader's key strategic and operational decisions which either reinforce the current or alter the culture of the organisation. Such leadership decisions then serve as the foundation upon which the shared assumptions, values and beliefs are formed.

Cameron and Quinn (2006) argue that an implementation of behaviours and competencies by individuals in an organisation will either reinforce or alter the current culture of the organisation. They further emphasise the importance of altering the management leadership competencies demonstrated in the organisation in driving organisational change efforts (Cameron & Quinn, 2006:117). This ensures that the change process is personalised thereby lessening its chances of failing.

The role played by leadership in the formation and maintaining of an organisational culture is then a critical one. This relationship begins at the point of leadership deciding on the core values espoused by an organisation, and working continually to ensure congruence between those espoused values and the enacted values shared by its members.

2.5 Competing Values Framework

Amongst the numerous typologies that have been developed over the years, Cameron and Quinn (1999, 2006) developed the Competing Values Framework (CVF) as a typology to be used in researching organisational phenomena such as culture, value outcomes, core competencies, leadership, decision making, motivation, human resources practices, quality, and employee selection.

The CVF has become a dominant model due to the number of times it has been successfully applied in the quantitative research of organisational culture (Yu, 2009:39). It has been named one of the top 40 most important frameworks in the history of business, as a result of this wide application (Cameron, *et al.*, 2006:5-6).

The CVF was developed in the 1980s resulting from studies of the factors that account for highly effective organisational performance (Cameron, *et al.*, 2006:5). Quinn and Rohrbaugh (1983, cited in Cameron, *et al.*, 2006:34) analysed 39 indicators of organisational effectiveness, earlier discovered by Campbell and his colleagues in 1974, and identified two dimensions that organised the indicators into four clusters.

The CVF helps identify a set of guidelines that can enable leaders to diagnose and manage the interrelationships, congruencies, and contradictions among the different functions of an organisation, thereby helping them to work more comprehensively and more consistently in improving their organisation's performance and value creation (Cameron, *et al.*, 2006:6).

2.5.1 Empirical studies using the CVF

There has been extensive research done to test the validity and reliability of the CVF as well its matched scale, the Organisational Culture Assessment Instrument (OCAI) (Yu, 2009:39). Howard (1998, cited in Yu, 2009:39) tested the validity of the CVF using a sample drawn from 10 United States organisations where he found support for a structure of organisational culture values consistent with the CVF. In another research done by Denison and Mishra (1995, cited in Yu, 2009:39) confirmation of the relationship between organisational effectiveness and the four culture types identified in the CVF was observed.

In addition to the work done in validating the CVF, there has been extensive research using the CVF to investigate the relationship between organisational culture and other organisational phenomena. Research was done by Mozaffari (2008), who employed the CVF to provide insights into the relationship between organisational culture and leadership styles. The study found that there is a relationship between organisational culture and leadership styles. Shurbagi and Zahari (2012) also utilised the CVF to investigate the relationship between organisational culture and transformational leadership where they found a positive and significant relationship between organisational culture and transformational leadership. To test the relationship between organisational culture and strategy implementation, Ahmadi, *et al.* (2012) utilised the CVF and empirically found a positive relationship between organisational culture and strategy implementation. All these studies have validated the use of the CVF as an important tool to assess organisational culture.

The dimensions and clusters that make up the Competing Values Framework are discussed in more detail in the sections that follow.

2.5.2 Core Dimensions of the Competing Values Framework

The CVF is made up of two dimensions that express the tensions that exist in organisations. These dimensions were identified during a study of the effectiveness of organisations, where some organisations were noticed to be effective when demonstrating flexibility and adaptability whereas others were effective when they demonstrated the opposite, namely stability and control (Cameron, *et al.*, 2006:7-8). The same study showed that some organisations were effective if they maintained efficient internal processes whereas others were effective if they maintained competitive external positioning relative to customers and clients (Cameron, *et al.*, 2006:8). These differences represent the different ends of two dimensions, each with opposing anchors that make up rudiments of the Competing Values Framework.

One dimension of the CVF represents the continuum ranging from versatility and pliability on one end and durability on the other end. The second dimension differentiates an orientation toward a focus on internal capability and the integration on one end and a focus on external opportunities and differentiation on the other end (Cameron, *et al.*, 2006:9). Figure 2, below, illustrates the relationship between these two dimensions to one another.

These two core dimensions combine to form four quadrants representing a distinct cluster of criteria which can be used to study organisationally relevant factors such as organisational culture, leadership and leadership competencies. The quadrants are given labels (Collaborate, Create, Compete, and Control) that relate to the nature of the value created in quadrant (Cameron, *et al.*, 2006:9-10).

The two upper quadrants emphasise flexibility and dynamism, whereas the bottom quadrants emphasise stability and control. The two left hand quadrants focus on internal capability and the two on the right focus on external opportunity (Cameron, *et al.*, 2006:11).

The four quadrants represent opposite or competing assumptions on the diagonal. The upper left quadrant emphasises internal, organic focus whereas the lower right quadrant emphasise an external, control focus. Similarly, the upper right quadrant emphasise an external, organic focus whereas the lower left quadrant emphasises internal, control focus. The competing or opposite values in each quadrant gives rise to the name of the model, the Competing Values Framework (Cameron & Quinn, 2006:35-36). Figure 7 below offers a graphical illustration of the Competing Values Framework quadrants.

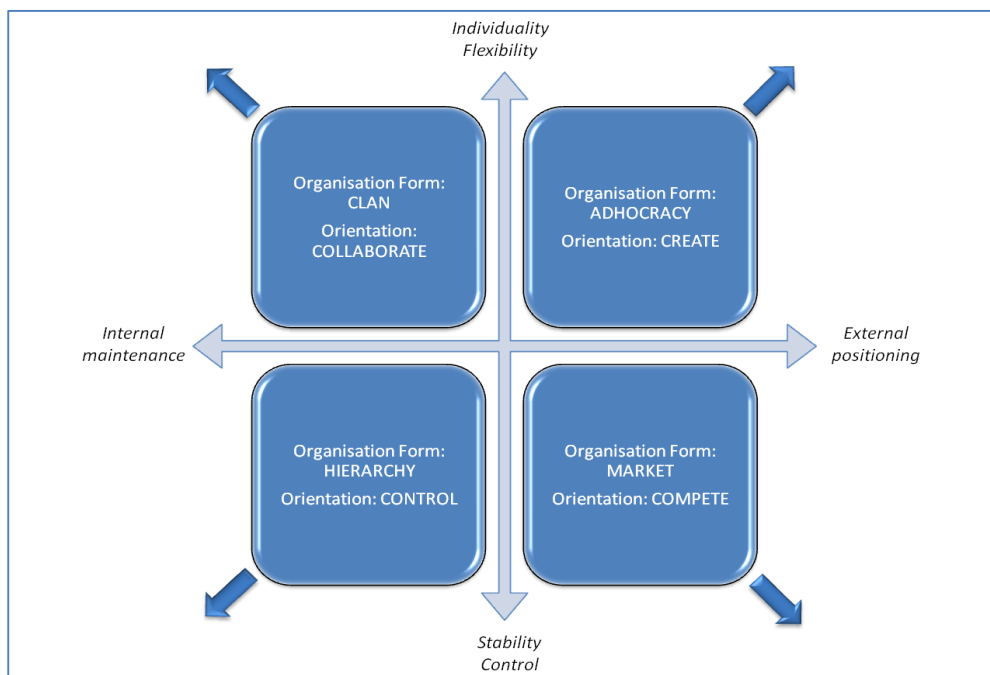


Figure 7: Core dimensions of Competing Values Framework (Source: Cameron, *et al.* 2006)

Each of the four quadrants associates with a specific type of organisational culture and leadership and identifies key value drivers linked to a set of competencies and a

theory of effectiveness (Cameron, *et al.*, 2006:30-32). Research has confirmed that leaders and organisations tend to gravitate towards one or more of these quadrants over time (Cameron & Quinn, 2006:76). The most effective leaders have at least average competency on leadership skills in all four quadrants and as such, can perform at adequate levels or better in all four quadrants (Cameron, *et al.*, 2006:113).

This research employs the Organisational Culture Assessment Instrument to assess perceptions on organisational culture by employees in a business unit. It will also test for the congruence between the culture perceptions and the leadership competencies displayed by the managers. The leadership competencies to be assessed are those associated with the different quadrants as identified by Cameron and Quinn (2006).

The four quadrants and their associated leadership competencies are discussed in more detail in the four sections that follow.

2.5.3 Control Quadrant

This quadrant is inwardly focused and involves disciplined strategies aimed at improving efficiency through extensive use of processes, systems, and technology. The leadership activities associated with the control quadrant include pursuing improvements in efficiency by implementing better processes with a view to improve quality and lessen costs. Value in this quadrant results from increasing certainty, predictability, regularity, and eliminating anything inhibiting a perfect or error free outcome (Cameron, *et al.*, 2006:32-33; Martin & Simons, 2002:67).

Leaders who are competent in the Control quadrant are strong organisers and administrators paying attention to details, making careful and precise analysis with a focus on one best way (Cameron, *et al.*, 2006:33).

The competencies associated with this quadrant are (Cameron, *et al.*, 2006:116-117):

- Leading through rational analysis – Fostering systematic analysis of data for solving problems.
- Leading through information clarity – Helping others to be clear about expectations, goals, and policies and their place in the organisation.

- Leading through high reliability – Eliminating mistakes and ensuring smooth flowing process and consistency of outputs.
- Leading through processes – Ensuring smooth flowing processes and consistency of outputs.
- Leading through measurement – Measuring and keeping records of how the organisation is performing.

Dominance of the leadership competencies linked with the Control quadrant would drive the organisation toward a culture characterised by a formalised and structured place to work. With this culture, procedures govern what people do and effective leaders are good coordinators and organisers of an organisational form referred to by the CVF as the “Hierarchy” where the long term concerns are stability, predictability, and efficiency where formal rules and policies hold the organisation together (Cameron & Quinn, 2006:37-38).

2.5.4 The Compete Quadrant

This quadrant is externally focused and involves being aggressive and forceful in the pursuit of competitiveness with emphasis on speed of delivery and customer focus. Leadership activities in this quadrant help position the organisation to have a strong standing with investors by creating a superior reputation for delivering excellent performance in the immediate term. Success is judged on the basis of indicators such as market share, revenues, meeting budget targets, and growth in profitability (Cameron, *et al.*, 2006:34-35; Martin & Simons, 2002:68).

Leaders who are competent in the Compete quadrant tend to be hard driving, directive, and competitive with high levels of achievement orientation (Cameron, *et al.*, 2006:35).

The competencies associated with this quadrant are (Cameron, *et al.*, 2006:116-117):

- Leading through competitiveness – Fostering and orientation toward beating the competition and winning in the marketplace.
- Leading through customer relationships – Fostering a focus on relationships with and service of customers.

- Leading through speed – Driving for faster responses and timelier actions.
- Leading with intensity – Creating a focus on intense, hard work and achievement.
- Leading for results – Emphasising even higher levels of performance and exceeding the competition.

Dominance of the leadership competencies linked with the Compete quadrant would drive the organisation toward a culture characterised by an external orientation with a focus on constituencies such as suppliers, customers, contractors, licensees, unions, and regulators (Cameron & Quinn, 2006:39). This organisational form is referred to as the “Market” and effectiveness in this form of organisational culture is measured by profitability, bottom-line results, strength in market niches, stretch targets, and secure customer bases. The core values that dominate market-type organisations are competitiveness and productivity. The glue that holds the organisation together is an emphasis on winning (Cameron & Quinn, 2006:39).

2.5.5 The Create Quadrant

Leadership activities in the Create quadrant are aimed at producing new products and services, creating new market niches, and producing value by enhancing processes by which entrepreneurship can be enhanced in the organisation. Leaders that are competent in this quadrant deal effectively with discontinuity, change and risk. They allow freedom of thought and action among employees with the result being that rule breaking and stretching beyond barriers are common characteristics in the organisation (Cameron, *et al.*, 2006:36-37; Martin & Simons, 2002:67).

Create quadrant strategies produce the most value in hyper-turbulent, fast moving environments that demand cutting edge ideas and innovations. Leaders who excel in this quadrant tend to be gifted visionaries and futurists, inclined toward risk and unafraid of uncertainty (Cameron, *et al.*, 2006:36).

The competencies associated with this quadrant are (Cameron, *et al.*, 2006:116-117):

- Leading through innovation and entrepreneurship – Encouraging others to innovate and to generate new ideas

- Leading the future – Communicating a clear vision and facilitating its accomplishment
- Leading through improvement and change – Fostering an inclination toward improvement and bold initiatives
- Leading through creativity – Helping to generate creativity both in oneself and in others
- Leadership through flexibility – Facilitating nimbleness and an ability to adjust quickly in the face of constant change

Dominance of the leadership competencies linked with the Create quadrant would drive the organisation toward a culture of “Adhocracy” where there is no centralisation of power and dominance of authority relationships. Power flows from individual to individual, or from task team to task team, depending on what problem is being addressed. This culture type emphasises individuality, risk taking and anticipating the future. It is characterised by a dynamic, entrepreneurial, and creative workplace (Cameron & Quinn, 2006:43-44).

The emphasis is on being at the leading edge of knowledge, products, and service. Effectiveness is measured by the uniqueness and originality in production of good and service. The glue that holds the organisation together is a commitment to experimentation and innovation (Cameron & Quinn, 2006:45).

2.5.6 The Collaborate Quadrant

Leadership activities in the Collaborate quadrant are focused on building cohesion through consensus and satisfaction through involvement. Value is created by building competencies, developing people, and solidifying an organisational culture. Human and social capitals are prioritised over financial capital (Cameron, *et al.*, 2006:38; Martin & Simons, 2002:67).

Collaborate quadrant strategies produce the most value when stability must be maintained in the face of uncertainty. Leaders who excel in this quadrant tend to take on roles of parent figure, mentor, facilitator, and team builder. They value shared objectives, mutual contribution, and a sense of collectivism among their employees (Cameron, *et al.*, 2006:38-39).

The competencies associated with this quadrant are (Cameron, *et al.*, 2006:116-117):

- Leading through teamwork – Building effective, cohesive, smooth functioning teams.
- Leading through interpersonal relationships – Building effective relationships through communication and listening.
- Leading the development of human capital – Helping others improve performance and develop competency.
- Leading through cooperation and community – Fostering a sense of unity through involvement and empowerment.
- Leading through compassion and caring – Facilitating a climate of personal concern and support for others.

Where the leadership competencies linked with the Collaborate quadrant are dominant the organisation will be driven toward a “Clan” culture characterised by a permeation of shared values and goals, cohesion, participativeness, individuality, and a sense of “we-ness” (Cameron & Quinn, 2006:41).

Emphasis is on the long-term benefit of individual development with high cohesion and morale being important. Effectiveness is defined in terms of internal climate and concern for people, teamwork, participation and consensus. The organisation is held together by loyalty and tradition (Cameron & Quinn, 2006:43).

2.6 Conclusion

The connection between culture and leadership is the clearest in organisational culture (Schein, 2010:3). This connection is as a result of the influence of leadership in creating and managing organisational culture through the process of identifying espoused values, and continually working to ensure that they are commonly shared in practice by the members of the organisation.

Organisations also develop leadership competency models to identify the desired leadership behaviours that are believed to be necessary in order to ensure the creation and maintaining of the desired culture state.

The interdependency of leadership and organisational culture has been a key topic of research over the years and researchers have designed numerous tools, models, and typologies in order to gain a better understanding of this relationship. The Competing Values Framework is one of these typologies. Due to its wide use and tested validity, it has gained widespread recognition as a reliable model to assess leadership competencies and organisational culture. This is done by employing two assessment tools suggested by Cameron, *et al.* (2006) and Cameron and Quinn (2006) being the Organisational Culture Assessment Instrument and a Leadership Competency Questionnaire.

These tools allow researchers to test the relationship between the current culture in an organisation in comparison to the desired culture state. They also allow for testing of the congruence between the leadership behaviours and the organisational culture, desired or current. Both these assessments are important to leadership as they need to be aware of the cultures in which they are embedded, lest they find themselves being managed by those cultures (Schein, 2010:21).

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SECTION 3: RESEARCH METHODOLOGY

3.1 Introduction

This research methodology chapter discusses the research aim and objectives as well as describing the research approach employed in getting to achieve the research aim.

The following sections will also cover the research aim and objectives, research paradigm, methodology, data collection techniques and the approach used in analysing the data. This chapter will also discuss the procedure followed in administering the data collection tools, the sampling methods as well as a brief discussion on issues of quality. Ethics and limitations are also discussed in relation to the research.

3.2 Research Aim and Objectives

The aim of this research was to investigate the “current organisational culture” in Absa Enterprise Business Gauteng and the leadership competencies profile of Absa Enterprise Business Gauteng’s Sales Managers. The outcome of this investigation was to serve as the foundation to inform the possibility of a strategic organisational culture change or leadership competencies alignment in the business unit.

The first objective of the research was to identify the “current organisational culture” profile for Enterprise Business Gauteng as perceived by the frontline employees of the business unit with specific focus on the perceptions of organisational culture between gender and professional level.

The second objective was to identify the current leadership competencies as viewed and experienced by frontline staff, in order to provide a guide for leadership development in Enterprise Business.

This research, therefore, aimed to plot and interpret “current organisational culture” profile of Enterprise Business. The “current organisational culture” profile was also compared to the “desired organisational culture” state as determined by the head of the business unit. The research also plotted and interpreted the “current” leadership competency profile for Sales Managers in Enterprise Business, as observed and

experienced by their subordinates, in relation to the “current organisational culture” profile of the business.

3.2.1 Hypotheses

Hypothesis One

H₀: There is no statistically significant difference in perceptions of the “current organisational culture” in the regional business unit between male and female frontline staff.

H₁: There is a statistically significant difference in perceptions of the “current organisational culture” in Gauteng region’s business unit between male and female frontline staff.

Hypothesis Two

H₀: There is no statistically significant difference in perceptions of “current organisational culture” in Gauteng region’s business unit between Relationship Executives and Enterprise Bankers.

H₁: There is a statistically significant difference in perceptions of “current organisational culture” in Gauteng region’s business unit between Relationship Executives and Enterprise Bankers.

Hypothesis Three

H₀: There is no statistically significant difference between the four sets of Sales Managers’ leadership competencies.

H₁: There is a statistically significant difference between the four sets of Sales Managers’ leadership competencies.

3.3 Research Paradigm

The quantitative view to research is often described as being “realist” or sometimes “positivist” (Sukamolson, 2005). Realists employ methods that maximise objectivity and minimise the involvement of the researcher with a view that research must be limited to what can be observed and measured objectively (Kruger, *et al.*, 2005:6). However, historical research has shown that what is studied and what findings are

produced are influenced by the beliefs of the people doing the research, along with the political or social climate at the time of the research (Sukamolson, 2005). This has led to the development and adoption of post-positivism approaches to quantitative research.

Post-positivism does not reject the notions of realism, but instead contends that it is impossible to objectively observe world as a disinterested outsider. Post-positivists believe in the possibility of there being an objective reality but hold the view that we will never be able to totally uncover that reality through research (Sukamolson, 2005). Rather than focusing on certainty and absolute truth, post-positivists focus on confidence levels as indicators of how much reliance can be placed on findings. This is achieved by approximating reality whilst accepting the role played by the subjectivity of the researcher in shaping that reality.

This research is a quantitative research informed by post-positivism which, ontologically, is based on critical realism. With critical realism, reality is assumed to exist but to be imperfectly approximated due to the subjectivity of the researcher. Epistemologically, special emphasis is placed on external “guardians” of objectivity such as critical traditions and the critical community where replicated findings will probably be true but will always be subjected to falsification (Guba and Lincoln, 1994:110).

3.4 Research Design and Methodology

Research literature distinguishes between four different types of research design being experimental, quasi-experimental, non-experimental and qualitative research (Kruger, *et al.*, 2005:78). This research was conducted as a non-experimental, hypothesis-testing research employing a survey to examine the relationship between organisational culture and leadership competencies.

The research methodology included the application of the organisational culture assessment instrument (OCAI) and a leadership competencies survey questionnaire. The data gathered was then used to profile both the “current organisational culture” as perceived by frontline staff, as well as their observations and experiences of the leadership competencies displayed by their Sales Managers.

3.4.1 Research Focus Area

The research focused on a business unit in a financial services company in the Gauteng region. This region consists of 11 sales teams which are managed by Sales Managers. The Sales Managers report to the Gauteng business unit head, also known as the Segment Head. The main function of this business unit is to provide convenient and easily accessible banking products to entrepreneurs running businesses generating a turnover of up to R20 million per annum.

The region has a total of 137 staff, including 99 frontline staff and 11 Sales Managers. This research focused on the leadership competencies of these Sales Managers and the organisational culture in the region's business unit as perceived by the 99 frontline staff. The 99 frontline staff are made up of 64 "Enterprise Bankers" and 35 "Relationship Executives". The job descriptions of the Enterprise Bankers are similar to that of the Relationship Executives, with the key differentiator being the complexity of the clients linked to either role. The Relationship Executives handle fewer clients, all of which run businesses generating between R10 million and R20 million per annum. The Enterprise Bankers, on the other hand, handle clients with business generating less than R10 million per annum and have portfolios sizes at a ratio of 4:1 when compared to Relationship Executives. The Relationship Executives are employed at a supervisor level, and are generally more experienced than the Enterprise Bankers. Enterprise Bankers are employed at a clerical level.

The questionnaire was designed in a way that the respondents could indicate their job roles when completing the survey.

3.5 Data Collection Technique

The researcher used a survey questionnaire as the data collection technique.

3.5.1 Design of the Survey Questionnaire

The questionnaire that was used to collect data consisted of three sections. Section one collected the respondents' biographical information including age group, gender, and job role in the business unit. Sections two and three are discussed in detail

below. The questionnaire and the covering letter that was sent to the respondents are attached in Appendices B and C.

3.5.1.1 Section Two of the Survey Questionnaire

This section reflected on the leadership competencies of Sales Manager as observed and experienced by the Relationship Executives and Enterprise Bankers. It consists of 20 closed questions which are rated on a Likert scale ranging from “Strongly disagree” to “Strongly agree”. This part of the questionnaire is adapted from a questionnaire used by Quinn (1988) and is based on the competing values framework (CVF) to measure perceptions on leadership competencies aligned to each of the CVF quadrants.

In this section respondents were asked to rate on a scale of 1 to 5, one being “Strongly disagree” and five being “Strongly agree”, whether they would associate certain behaviours and competencies with their managers as experienced in the workplace.

3.5.1.2 Section Three of the Survey Questionnaire

Section three reflected on the “current organisational culture” in the business unit as perceived by the Relationship Executives and Enterprise Bankers. This section is based on questionnaire on the Organisational Culture Assessment Instrument (OCAI) which was developed by Cameron and Quinn (Cameron & Quinn, 2006).

The organisational culture assessment instrument is based on the competing values framework model and has been used in numerous organisations and has assisted organisations to identify the current culture as well the desirable culture (Cameron & Quinn, 2006:23). The OCAI was also used to determine the “current” and “desired” organisational culture in the business unit as perceived and desired by the business unit head.

The OCAI assessed six dimensions of organisational culture, which make up the sub-sections of section two in the questionnaire that was used in this research. These dimensions are:

- Dominant characteristics of the organisation
- Leadership style and approach that is dominant in the organisation

- Management of employees
- Organisational glue
- Strategic emphasis
- Criteria of success

Each of these dimensions has four alternatives, which align with the four quadrants of the competing values framework (Cameron & Quinn, 2006). The alternatives are “A” – aligns with the “Clan” culture quadrant, “B” – aligns with the “Adhocracy” culture quadrant, “C” – aligns with the “Market” culture quadrant, and “D” – aligns with the “Hierarchy” culture quadrant. For each of the six dimensions, 100 points needed to be divided amongst the four alternatives depending on the extent to which the alternative was similar to the business unit. This was done by utilising a comparative scaling technique known as the constant sum scale where respondents divided a constant sum among different attributes of an object (Don Scott, *et al.*, 2004:91-92). This indicated the relative importance of each attribute and assumed ratio level properties. This scaling technique divides 100 points among a set of predetermined dimensions (organisational culture types) to indicate the importance (to the respondent) of each item relative to another in the same dimension. Thereafter the responses associated with each factor were combined, and the average computed. This was done for all respondents and an overall average was computed. Each factor was assigned a quadrant on a two dimensional surface with a horizontal and vertical axis. The computed mean values for all four of factors were then transposed onto the diagonal lines of the axes with respect to their associated quadrants. The means were plotted on the diagonals by calculating the distance from the origin using the gradient of the equation of each straight diagonal line.

3.5.2 Validity and Reliability of the CVF and the OCAI

There has been extensive research done to test the validity and reliability of the CVF as well its matched scale, the Organisational Culture Assessment Instrument (OCAI) (Yu, 2009:39). Howard (1998, cited in Yu, 2009:39) tested the validity of the CVF using a sample drawn from 10 United States organisations where he found support for a structure of organisational culture values consistent with the CVF. In another research done by Denison and Mishra (1995, cited in Yu, 2009:39) confirmation of

the relationship between organisational effectiveness and the four culture types identified in the CVF was observed.

3.6 Procedure

3.6.1 Administering the Survey Questionnaire

After requesting and obtaining the permission of the national business unit head the survey was prepared on an Excel format and emailed to the frontline inviting them to participate in the survey. The file was sent with a covering letter detailing the instructions as to how the survey was to be completed by the respondents. A copy of the covering letter is attached as Appendix A. The letter also shared with the respondents the intent of the survey as well as assuring them of the anonymity of their responses. The responses were returned by email to the researcher. The researcher then cleaned the survey responses and classified usable responses versus unusable responses. The unusable responses were typically the cases where the respondent rated every response with the highest possible value for all the questions in the questionnaire.

3.6.2 Frontline Staff Response Rates

The total population of 99 frontline staff (Enterprise Bankers and Relationship Executives) was sampled for this research. From the total of 99 respondents that were invited to participate in the survey a total of 43 responses were received by the researcher, of which 13 were unusable, and 30 were usable. Table 7 below indicates the usable survey questionnaire response rate.

Table 7: Survey questionnaire response rates

	Male (41)	Female (58)	Total (99)	Percentage of Population
Relationship Executives (35)	13	8	21	60%
Enterprise Bankers (64)	1	8	9	14%
Total (99)	14	16	30	30%
Percentage of Population	34%	28%	30%	

3.6.3 Business Unit Head Response

The business unit head was also requested to complete a questionnaire, based on the OCAI, to determine his perceptions of the region's "current organisational culture" in the business unit, as well as the "desired organisational culture" state. The "desired organisational culture" results as determined by the business unit head were compared against the "current organisational culture" as perceived by the frontline staff in order to identify the areas of alignment and misalignment between the two.

3.7 Analysis

After the data was collected from the respondents, it was coded for ease of reference and to allow for the identification of the variable that was to be statistically analysed. Coding is the process of identifying the variable that we want to analyse statistically and decide on the different values such a variable level presents (Kruger, *et al.*, 2005:227).

After the coding of data was done, it was then sorted to separate the responses on section two and three, in order for them to be analysed separately. Quantitative analysis of the data was then conducted to determine the frequency distribution of the demographic details before analysing the data as it relates to section two and section three of the questionnaire.

For section two, which used a five point Likert-type interval scale the variables of leadership were divided into four factor namely, clan, adhocracy, hierarchy, and control. Each factor was recared through the compounding together of the five respective items. In total there were 20 items, five for each factor aligning to the different CVF quadrants.

For section three, the 24 items were also divided into four factors that align with the CVF quadrants, being clan, adhocracy, hierarchy, and control. The responses were associated with the relevant factors and the mean for each factor was then computed. Each factor was then assigned a quadrant on a two dimensional surface with a horizontal and vertical axis. The computed mean values for all four of the factors were then transposed onto the diagonal lines of the axes with respect to their associated quadrants, to draw the culture profile of the region's business unit.

The research applied hypotheses testing to the differences in perceptions of culture between gender groupings and professional level, as well as the differences between the leadership competencies associated with each of the CVF quadrants. This was done by using the one-way analysis of variance (ANOVA) *F* test to establish the relationship between the mean scores for each quadrant on perceptions of culture across gender and professional level, as well as the mean scores of the leadership competencies (Berenson, *et. al.*, 2008:422-436).

The OCAI results on “current” business unit culture as perceived by frontline were also compared against the OCAI results on the “desired” business unit culture determined by the business unit head.

3.8 Ethical Considerations

Ethical behaviour is important in research and the principles underlying research ethics are universal and concern issues such as honesty and respect for the rights of individuals who may become involved in research (Welman *et al.*, 2005:181).

One of the key ethical considerations with regards to this research was confidentiality and the anonymity of the frontline respondents. This research covered sensitive information about Absa and Enterprise Business as a segment of Absa. This was applicable throughout all stages of the research project namely (Welman *et al.*, 2005:181):

- When participants were recruited
- During the measurement procedure to which they were subjected

The other ethical considerations that were of importance to this research are (Welman *et al.*, 2005:201):

- Informed consent – the necessary permission was obtained from the respondents.
- Right to privacy – the respondents were informed and assured of the anonymity of their responses and their participation.
- Protection from harm – ensuring anonymity of responses and participation the respondents was key in protecting the respondents from potential harm or retaliation.

- Involvement of the researcher – the researcher had to guard against manipulating respondents. This was done by setting out the objectives of the research and the option for the respondents to opt out of the research in an email that was sent to all respondents along with the questionnaire.

To address these concerns, the questionnaire did not ask for the name of the Sales Manager being rated, or the name of the person completing the questionnaire. This was because the research seeks to profile the overall leadership competencies in Enterprise Business Gauteng and not isolate individual Sales Managers.

Consent was sought and received from the Business unit head to carry out the research in the Gauteng region of Enterprise Business.

3.9 Limitations

This study is intended at establishing the perceptions of organisational culture in the business unit for a specific region by frontline staff. It is not the intention of the researcher to declare the findings as the absolute culture of the business unit as this was not a consideration during the design of the questionnaire and the sampling phase. The findings of this study cannot be generalised across the business unit or other business unit within the organisation outside the focus area, as defined in the relevant earlier section. The low response rates received from Enterprise Bankers do not allow for the findings to be generalised for the job role in the region. This also did not allow for hypothesis two to be tested as inferences could not be drawn from the responses due to the low Enterprise Bankers' response rates.

3.10 Conclusion

The researcher conducted a non-experimental, hypothesis-testing research employing a survey to examine the relationship between organisational culture and leadership competencies in a business unit located in Gauteng. The findings were based on responses by 30 of the 99 staff in the business unit. Permission to conduct the research was obtained by the researcher from the Segment Head of the business unit and the respondents. The questionnaire, which was based on the CVF and the OCAI, was emailed to the respondents with an invitation for them to participate in the research. The respondents were informed of their right to choose

not to participate in the research, and that their responses would be treated with anonymity.

3.11 References

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APPENDIX A: SURVEY QUESTIONNAIRE COVER LETTER TO STAFF

Dear Colleague,

Enterprise Business' goal is to be the "Go-to-bank" for SME's and we aim to achieve this by working to ensure that we make our customers and staff members' lives much easier and applying our execution principles as well as the "Ways to win".

In order to understand your leadership experience and your views about the current organisational culture in our business we are conducting a survey amongst our frontline staff in Enterprise Business, which we would appreciate your participation. This survey is to be done on a voluntary basis.

The survey will allow for an evaluation of the current organisational culture in the business in comparison to what the senior leadership's intended culture state is and as such, afford the opportunity for business to refine our leadership approach where there may be misalignment between what your experience is as a valued staff member and what is intended.

We would appreciate your honest and objective feedback in this regard and we also assure you that all results will be reported at a total Enterprise Business (Gauteng) level with no individual employee to be made identifiable.

The survey questionnaire has 2 sections and should take you approximately 10 – 15 minutes to complete, in the attached spreadsheet. Please complete all the cells highlighted in "GREY"

Section 1, reflects on your leadership experience with your line manager and the responses are captured on a rating scale of 1 – 5 where:

- 1 = Strongly Disagree
- 2 – Disagree
- 3 = Undecided
- 4 = Agree
- 5 = Strongly Agree

Section 2, reflects on the organisational culture in Enterprise Business, your sales area/region, and has 6 subsections. Each subsection has 4 alternatives where you will need to divide 100 points among the 4 alternatives, depending on the extent to which each alternative is similar to the culture in your sales area/region. For example, on subsection 1, if you think alternative A is very similar to your sales area/region, alternatives B and C are somewhat similar, and alternative D is hardly similar at all, you might give 55 points to A, 20 points each to B and C, and 5 points to D. Repeat the same approach for the other 5 subsections.

Once completed, please email the survey spreadsheet to simphiwe.funani@absa.co.za. You may also contact me on 079 878 8741 should you have any questions relating to the completion of the survey.

Regards,

Simphiwe Funani

APPENDIX B: SURVEY QUESTIONNAIRE - FRONTLINE STAFF

The Competing Values Leadership and Culture Survey			
Confirm that you are an employee of Absa Business Bank, Enterprise Business Gauteng:			Yes
			No
Background information about the respondent			
Your Age Group		Role	
Gender		Length of Service with Absa	
Education Level		Length of Service with Enterprise Business	
Home Language		Length of time served under your current Sales Manager	
Section 2 - Reflecting on the Leader (Sales Manager)			
<small>Adapted from the book "Beyond Rational management" by Robert Quinn, Jossey Bass, 1988</small>			
I would describe my Sales Manager as a leader that:			Rating
1	Forsters systematic analysis of data for solving problems		
2	Fosters an orientation toward beating the competition and winning in the marketplace		
3	Encourages others to innovate and to generate new ideas		
4	Is strong at building effective, cohesive, smooth functioning teams		
5	Helps others to be clear about expectations, goals, and policies and their place in the organisation		
6	Fosters a focus on relationship with and service of customers		
7	Communicates a clear vision and facilitating its accomplishment		
8	Builds effective relationships through communication and listening		
9	Eliminates mistakes and ensuring smooth flowing processes and consistency of outputs		
10	Drives for faster responses and timelier actions		
11	Fosters an inclination toward improvement and bold initiatives		
12	Helps others improve performance and develop competency		
13	Ensures smooth flowing processes and consistency of outputs		
14	Creates a focus on intense, hard work and achievement		
15	Helps to generate creativity both in oneself and in others		
16	Fosters a sense of unity through involvement and empowerment		
17	Measures and keeps records of how the organisation is performing		
18	Emphasises even higher levels of performance and exceeding the competition		
19	Facilitates nimbleness and an ability to quickly adjust in the face of constant change		
20	Facilitates a climate of personal concern and support for others		
Section 3 - Reflecting on the current culture in Enterprise Business Gauteng			
<small>Adapted from the book "Diagnosing and Changing Organisational Culture" by Kim S. Cameron and Robert E. Quinn, 2006</small>			
1	Dominant Characteristics		Rating
A	Enterprise Business is a very personal place. It is like an extended family. People seem to share a lot of themselves.		
B	Enterprise Business is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.		
C	Enterprise Business is very results-oriented. A major concern is with getting the job done. People are very competitive and achievement-oriented.		
D	Enterprise Business is a very controlled and structured place. Formal procedures generally govern what people do.		
Total			0
2	Organizational Leadership		Rating
A	The leadership in Enterprise Business is generally considered to exemplify mentoring, facilitating, or nurturing.		
B	The leadership in Enterprise Business is generally considered to exemplify entrepreneurship, innovation, or risk taking.		
C	The leadership in Enterprise Business is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.		
D	The leadership in Enterprise Business is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.		
Total			0

3	<i>Management of Employees</i>	Rating
A	The management style in Enterprise Business is characterized by teamwork, consensus, and participation.	
B	The management style in Enterprise Business is characterized by individual risk taking, innovation, freedom, and uniqueness.	
C	The management style in Enterprise Business is characterized by hard-driving competitiveness, high demands, and achievement.	
D	The management style in Enterprise Business is characterized by security of employment, conformity, predictability, and stability in relationships.	
Total		0
4	<i>Organization Glue</i>	Rating
A	The glue that holds Enterprise Business together is loyalty and mutual trust. Commitment to this organization runs high.	
B	The glue that holds Enterprise Business together is commitment to innovation and development. There is an emphasis on being on the cutting edge.	
C	The glue that holds Enterprise Business together is the emphasis on achievement and goal accomplishment.	
D	The glue that holds Enterprise Business together is formal rules and policies. Maintaining a smoothrunning organization is important.	
Total		0
5	<i>Strategic Emphases</i>	Rating
A	Enterprise Business emphasizes human development. High trust, openness, and participation persist.	
B	Enterprise Business emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.	
C	Enterprise Business emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.	
D	Enterprise Business emphasizes permanence and stability. Efficiency, control, and smooth operations are important.	
Total		0
6	<i>Criteria of Success</i>	Rating
A	Enterprise Business defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.	
B	Enterprise Business defines success on the basis of having the most unique or newest products. It is a product leader and innovator.	
C	Enterprise Business defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.	
D	Enterprise Business defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low-cost production are critical.	
Total		0

APPENDIX C: SURVEY QUESTIONNAIRE – BUSINESS UNIT HEAD

The Organizational Culture Assessment Instrument - Enterprise Business		
<small>Adapted from the book "Diagnosing and Changing Organisational Culture" by Kim S. Cameron and Robert E. Quinn, 2006</small>		
Manager's Name:		Gender:
1 Dominant Characteristics		
	Current Rating	Preferred Rating
A	Enterprise Business is a very personal place. It is like an extended family. People seem to share a lot of themselves.	
B	Enterprise Business is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.	
C	Enterprise Business is very results-oriented. A major concern is with getting the job done. People are very competitive and achievement-oriented.	
D	Enterprise Business is a very controlled and structured place. Formal procedures generally govern what people do.	
Total		0
2 Organizational Leadership		
	Current Rating	Preferred Rating
A	The leadership in Enterprise Business is generally considered to exemplify mentoring, facilitating, or nurturing.	
B	The leadership in Enterprise Business is generally considered to exemplify entrepreneurship, innovation, or risk taking.	
C	The leadership in Enterprise Business is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.	
D	The leadership in Enterprise Business is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.	
Total		0
3 Management of Employees		
	Current Rating	Preferred Rating
A	The management style in Enterprise Business is characterized by teamwork, consensus, and participation.	
B	The management style in Enterprise Business is characterized by individual risk taking, innovation, freedom, and uniqueness.	
C	The management style in Enterprise Business is characterized by hard-driving competitiveness, high demands, and achievement.	
D	The management style in Enterprise Business is characterized by security of employment, conformity, predictability, and stability in relationships.	
Total		0
4 Organization Glue		
	Current Rating	Preferred Rating
A	The glue that holds Enterprise Business together is loyalty and mutual trust. Commitment to this organization runs high.	
B	The glue that holds Enterprise Business together is commitment to innovation and development. There is an emphasis on being on the cutting edge.	
C	The glue that holds Enterprise Business together is the emphasis on achievement and goal accomplishment.	
D	The glue that holds Enterprise Business together is formal rules and policies. Maintaining a smoothrunning organization is important.	
Total		0
5 Strategic Emphases		
	Current Rating	Preferred Rating
A	Enterprise Business emphasizes human development. High trust, openness, and participation persist.	
B	Enterprise Business emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.	
C	Enterprise Business emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.	
D	Enterprise Business emphasizes permanence and stability. Efficiency, control, and smooth operations are important.	
Total		0
6 Criteria of Success		
	Current Rating	Preferred Rating
A	Enterprise Business defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.	
B	Enterprise Business defines success on the basis of having the most unique or newest products. It is a product leader and innovator.	
C	Enterprise Business defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.	
D	Enterprise Business defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low-cost production are critical.	
Total		0