

A CASE STUDY OF SIEMENS AFGHANISTAN:

BUILDING A COUNTRY

BUILDING A COMPANY

A Dissertation in Partial Fulfilment

For the Degree of

MASTER OF BUSINESS ADMINISTRATION

RHODES BUSINESS SCHOOL

by

Raaz H. Qaleej

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DECLARATION

I, Raaz Qaleej, hereby declare that this research thesis is my own original work, that all reference sources have been accurately reported and acknowledged, and that this document has not previously, in its entirety or in part, been submitted to any University in order to obtain an academic qualification.

Raaz H. Qaleej

October 2013

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INTEGRATIVE SUMMARY

This case study was written within the broader concept of Organisational Culture and how it is integrated into an organisation to encourage responsible leadership. The core focus and emphasis of this approach is to establish the implications for businesses operating in the most challenging of commercial environments, while adhering to their corporate ethos and organisational values. These may be summarised with the phrase: Only a clean business is a sustainable business.

This dissertation is intended to act as a case study and resource aide for the teaching of leadership, organisational behaviour, human resources and business sustainability.

The study is about the Afghanistan chapter of the global giant Siemens, which has been working in many areas of specialisation conducting business in the country for more than 75 years. It has been selected for this case study because of its long-term impressive record, during which time it has developed and sustained a reputation as an organisation with a much-admired organisational culture, and one to which employees feel very closely attached and connected.

This case study evolved from a set of unique as well as difficult circumstances. In Afghanistan, where infrastructure is weak, businesses and other structured organisations are in their initial and immature stages of development, and employee attachment to their workplaces is relatively weak. In the case of Siemens however, it has been much the opposite. It became apparent over a protracted period of time that the relationship of employees to the company was clearly of a positive and committed nature, unlike the general perception stemming from other multinational organisations operating within the country.

Many business organisations in Afghanistan tend to emphasise to a lesser degree some modern-day practices of employer-employee relationships, which negatively affect motivation and commitment. The study grew out of the observations that

employees of Siemens on the other hand, seemed to exhibit attitudes and commitments contrary to the general trend in the wider business sector.

This project began with the intention to identify those factors contributing to employee loyalty and strong attachments to an organisation. Subsequently, the same findings were used to identify the traits and particular features working within the organisational environment. The thesis is comprised of three sections which can be summarised as follows:

Section 1:

The case study commences through direct observation of employees. It was found as a general characteristic that the majority of them exhibited pride in being associated with the organisation under study, Siemens Afghanistan, and displayed a high degree of satisfaction with their working environment and daily activities.

Although reasons for such sentiment were readily evident, it was decided that a comprehensive study focusing on employee relationships and resultant attitudes should be conducted to reveal as much as possible the perceptions of employees. In addition additional emphasis was created to shed light upon those qualities found within the organisation that could be utilised by other organisations, not only those working within normal working environments, but also in countries or places which have experienced prolonged periods of instability and crisis, and are still vulnerable to uncertainty and the collapse of stable democratic governing structures.

It quickly became apparent that employees had developed a positive view of the company, particularly being impressed by its emphasis on quality in working practices, and the perception that the company's products were known as one of the most respected and reputable brands throughout the world. This was furthered by employee observation that their employer held a positive attitude towards responsible social behaviour by way of making positive contributions in the society in which it worked, as well as its emphasis on values of integrity and positive quality in its dealings at every level.

Through the study and its ensuing analysis, it became clear that employees liked the culture of the organisation and that they believed that this relationship resulted in high productivity and promoted increased and positive performance. Employees felt that they were more engaged in day-to-day activities, and that the introduction of the latest efficient techniques of team-engagement and other measures was greatly appreciated. They were clear in acknowledging Siemens Afghanistan as an employee-oriented organisation that cares for employees, and that good works are appreciated. Of particular interest to them was the emphasis and encouragement of the organisation to embark upon individual employee development and given serious consideration by the Company. One particularly noteworthy element missing in much of the working environment of Afghanistan is that of employees being empowered to have authority in their respective areas of work and expertise. They were particularly positive in their appreciation for being encouraged to exercise discretion wherever possible.

Section 2:

Here is reviewed the literature involved in the development and conclusions of this study. Key observations from examination and integration of studied responses are the many positive factors stemming from discussions with employees. The key element in this regard is that decisions from top management along with leadership styles made the greatest contributions in the eyes of employees.

This has provided the underlying theme and conclusions about development of an organisational culture that promotes positive feelings and functionality in the employees and the structure of an organisation. While teamwork is essential, it is the decisions taken by top management that are of the most influential importance. It is these decisions, which give direction as to how teamwork will be carried out.

Section 3:

In this the final section, the study's research methodology was described. This project was undertaken with a view to understanding the reasons behind the perceived

positive attitudes of Siemens employees working in its Afghanistan offices and field projects. The research was conducted in two phases: The first was in the form of a questionnaire supported by Siemens Global Engagement Survey (SGES) 2012, followed by focus group interviews conducted across several areas of the company's operations. ¹

¹ Siemens, Results of Siemens Global Engagement Survey 2012

1 SECTION ONE: CASE STUDY

1.1 Introduction: Afghanistan, the country

Afghanistan, a country with a population of more than 30 million, shares a long and noble history spanning many centuries. In its prime, it has been a seat of power and influence throughout Central Asia and the Indian sub-continent. ²

Despite its poor economic position, amongst the poorest nations on earth, the country is rich in economic potential and resources, which are belatedly being slowly developed as dangers from the civil conflicts recede. This ranges from large quantities of natural gas, oil, minerals, precious and semi-precious gemstones, diverse agricultural productions, wool and the well-known hand knotted Oriental carpets industry, which has been a substantial source for foreign trade³

Although the economy is still recovering from economic instability and has inadequate infrastructure and power capabilities, Afghanistan has substantial trade with its neighbours as well as with Europe and North America. Afghanistan has suffered during three decades of war and civil strife that has left millions of its citizens dead and maimed, it is finally and gradually rebuilding and laying the groundwork for a renewal of its commitment to a modernised, cohesive and strong society.

Following the intervention by international powers in 2001, a democratic system of governance was established for the first time in its history, which, while a modest beginning, is one that offers hope to support the road to reconstruction of the country that will continue to gain momentum into the future. Though little industry remained following the conflict, and with the economy left in tatters on its last legs, the international community intervened and came forward with programmes and assistance to bring the country back from the brink of annihilation and consignment to a dark age of the 21st century.

² CIA World Factbook for Afghanistan, 2012

³ Afghanistan Investment Support Agency, 2011

Reconstruction of Afghanistan's infrastructure was given the highest priority along with the establishment of organs for governance of the State, and components for a healthy society re-established and set in place

As Afghanistan by this time was struggling with its broken infrastructure and lack of expertise and capacity to self-build, there was a rush by foreign companies to establish themselves at the threshold of the development programmes that were quickly taking shape. It was the new 'gold-rush' of commercial opportunity and potential in a damaged and demoralised country. One 'old friend' of Afghanistan, the German conglomerate Siemens, was one such company that quickly established an operational base, one which it had to abandon some years before, but was now preparing to return with greater strength than ever.

1.2 Siemens: The Company

Siemens AG is a multinational engineering and electronics conglomerate company headquartered in Munich, Germany, the largest of European-based electronics and electrical engineering firms. The company's principal activities are in the fields of industry automation, power generation & distribution, intelligent building technology, transportation and healthcare, organized into four main sectors: Industry, energy, healthcare, and infrastructure and cities. Siemens and its subsidiaries employ approximately 360,000 people across nearly 190 countries, with reported annual global sales of approximately 78.29 billion Euros in 2012.⁴

The company maintains a global reputation for delivering quality service, enabling it to maintain a high-profile presence in most countries. Simultaneously, it is regarded as a company working with a superior skills set, with focus on research and development in its diverse sectors.

1.2.1 Siemens in Afghanistan

Following the restoration of a degree of post-war civil order and security in Afghanistan and the inception of reconstruction phases of the country, Siemens, as with many other International corporations, recommenced its operations. With much of

⁴ Siemens AG, Annual Report,2012

Afghanistan's infrastructure destroyed or severely damaged and curtailed, Siemens' re-entered the country to contribute to its rebuilding, with the benefits of its global reach, expertise and experience.

Siemens began its relationship with Afghanistan in 1928 when King Amanullah Khan visited Siemens' Berlin headquarters, from which stemmed a long term relationship. In 1937, Siemens started the construction of two hydroelectric power plants: the Wardak plant, supplying electricity to Kabul, and the Pul-i-khumri plant, which powers a textile factory. Both these projects were completed in 1941.⁵

In addition, in the area of health care, Siemens has been highly instrumental in bringing much needed medical equipment and expertise to the country such as supply of country's first MRI and CT scanning machines, provision of application trainings for doctors and radiologists, as well as technical support on maintenance for medical equipment are all being provided.

Energy infrastructure is a key area of Siemens' global expertise. In addition to the two projects noted above, Siemens has been actively involved in the development and construction of sub-power stations, upgrading of older existing stations with the latest, highly sophisticated equipment such as shunt reactors and capacitor banks to stabilise power voltages, and to reduce power losses and to increase efficiencies in the distribution systems.

In other areas of industry, Siemens is exploring development projects for the immediate and longer term future such as oil industry and refining requirements, mining, and cement factory development. Siemens is also anticipating becoming extensively involved in development of a new city adjacent to Kabul, known as 'Deh Sabz City' (DCDA) a new concept 'green village' city, on which building contracts have been recently let for 5,000 homes.⁶

⁵ Interview with Mr Arif Zarin, Project Manager at Siemens Afghanistan, May 16,2013

⁶ Interview with Mr Mohammad Fahim, Business Administrator at Siemens Afghanistan, 13 May 2013

Contributions made by Siemens through the years have been many and varied, which have resulted in both the brand 'Siemens' and its reputation prominently established further. Of the many projects in which Siemens has been involved, several are particularly noteworthy.

With Siemens' emphasis on a culture of ethical corporate governance, there has become established positive role models for business development, which have not always been widely observed in Afghanistan's business community.

When war broke out in Afghanistan the company withdrew from the country in 1973. It re-entered the country again in 2003 when civil government and a degree of stability returned, establishing a permanent office in the capital city of Kabul. In the past 10 years Siemens has been engaged in a number of infrastructure projects in the areas of power distribution, healthcare and telecommunications. Today Siemens enjoys a strong reputation in Afghanistan, even becoming a household name that is highly regarded and respected by Afghans.

In December 2009, following the retirement of Siemens Afghanistan's CEO, a new director was installed which was significant in two specific points. Siemens' spirit of succession planning was observed, when the company's Afghan 29 year-old vice president was named successor. Eventually, on 1 January 2010, the company validated its longer-term vision for the country with the youngest-ever CEO to lead it forward.⁷

1.3 Origins of the Study

Working conditions had been difficult during the darkest periods of Afghanistan's civil war. Uncertainty about the future, lack of facilities, security threats, corruption, obstructions in project development and operations, and lack of domestic support are all elements that organisations operating in the country had to confront. Nevertheless, in Siemens' Kabul office, a very different and positive trend evolved, that has become

⁷ Interview with Mr Mohammad Fahim, Business Administrator at Siemens Afghanistan, 13 May 2013

more pronounced in recent years. Employees have a clear and emphatic pride to be connected with and be part of the Siemens organisation, or 'family'.

While some of Siemens' employees could enjoy work opportunities with better salaries in other companies, they preferred to stay and continue with Siemens out of a sense of loyalty and commitment, security and perhaps more telling, to contribute to the company's philosophy, which involved its commitment to positive corporate governance, and a strong work ethic.

1.4 Siemens in the Eyes of its Employees

The findings of a recent company survey among Siemens employees, gives insight into their views about their employer. The study indicated that employees were attracted to the company specifically because of four important factors:

a. Leadership

Leadership enables employees to work to their best abilities with both company and staff interests at the fore. It encourages the innate capabilities and interests of the employees to be channelled towards the objectives of the company, with the added benefit of a positive morale within the staff structure. Equally Siemens' employees have admired the company's leadership skills in steering the company throughout its long history of successful and respected reputation.

b. Organisational culture

Siemens is a learning organisation. Its culture is that of putting into practice what it has learned and instilled within the operational functions of the company's many sectors. Employees recognised and appreciated that Siemens' objectives were not only successes in its operations in the global marketplace, but also that it constantly seeks to learn and improve its internal structure which benefits both staff and business ends.

c. Social Responsibility

'Doing good by doing well' is a direct reflection of the approach taken by Siemens in its relationships to its broader corporate and personnel interests. Siemens' Afghan

employees are particularly cognisant of the manner in which the company is sensitive to the communities in which it operates, along with its acceptance of the multi-cultural differences of its workforce. They appreciate that Siemens makes great effort to become a 'contributing partner' to its environment.

d. Ethical business conduct

What are we left with if we take 'ethics' out of business? Siemens' Afghan employees are particularly sensitive about ethics and honesty in business due to the low level of regard for integrity and clean business practices in the country. Because of the ethos of Siemens ethical approach found throughout the company's operations, it has been observed that Afghan employees in general hold a positive impression of the company. They feel that this contributes greatly to their sense of well-being at work and within the community at large.

1.4.1 Emphasis on Quality

Surveyed employees were aware that Siemens emphasises quality rather than focussing on and making the control of cost factors the priority. Employees were of the view that Siemens' reputation and good name throughout the business world stems from this approach. In their responses, they frequently acknowledged that they could see that within their work sphere, as well as more widely throughout the operation in Afghanistan, the customer, whether small or large, businesses or government ministries, always expected high quality results from the company. In turn, Siemens' emphasised delivering the high quality product and service that its clientele expected.

The ethos of quality and responsibility was recognised by employees as an important characteristic, and was seen as a source of their own positive regard for the company. The combination of positive sentiment held by employees, reflected in the survey work, confirmed the view that these elements contributed to a constructive, positive view of them towards the company, which in turn resulted in a desire to do the job well with dedication towards the company and their duties.⁸

⁸ Interview with Mr Sajid Rizvi, Project Manager at Siemens Afghanistan, 15 May 2013

“This combination of affirmative management and employee satisfaction contributed to the creation of charged environment of affirmative action in the workplace”.⁹

An attraction of the company that was voiced by many of the employees was their awareness of management’s insistence on quality in workmanship and service, as well as intellectual honesty with comprehensive planning. With very few exceptions, nearly all of them were fully confident that the organisation worked to deliver quality and that this trait of the organisation set it apart from most other organisations. They recognised that it was this trait that was most highly valued by customers, followed by their clean business practices. Survey and interview respondents also thought that there was consistency in decisions taken by the management to uphold these representative features of the company.

1.4.2 Brand Development

Employees conveyed a sense of pride in being associated with the Siemens brand and being a part of the ‘Siemens family’ was highly valued by them. The company’s reputation as an international brand was seen as a matter of personal recognition and pride of association.

They were of the view that the Siemens’ corporate approach to quality and reliability had been developed over many years and that the quality of its leadership decisions had been built up an image held in high public and employee regard, reflecting conscientious decision-making on the part of leadership for more than a century.

1.4.3 Corporate Social Responsibility

Among other important features noted and liked by employees was that of corporate responsibility: responsibility to the communities they worked in, to the nation of Afghanistan, to one another, and to the company’s adherence to international and local laws. They expressed appreciation that Siemens kept its corporate practices and processes according to established standards and policies, and that there were no conflicts in this regard. They were also of the view that company leadership was proactive in ensuring that Siemens should always be responsible for its actions and

⁹ Interview with Mr Arif Zarin, Project Manager at Siemens Afghanistan, 16 May 2013

execution of policy in a fair and equitable manner and that 'no stone should be left unturned' in furthering these ideals.

The idea of corporate responsibility was rated highly, as it created a positive image within the community, making the organisation appear overtly positive in the eyes of the public. In a country suffering the effects of civil disruption on a massive scale, this in turn had the effect of enhancing the self-esteem of employees, who, seeing the positive impression that Siemens made upon the public went to greater lengths to model themselves as good employees.¹⁰

Siemens' reputation for corporate responsibility was known to its Afghan employees, who had heard and read about the company's policies abroad, and its leadership commitment to development and application of fair employee and ethical business policies.¹¹ They understood that maintaining a policy of active corporate responsibility came at a cost both in terms of economics and personnel time.

Employees were able to see Siemens as taking the concept of corporate responsibility seriously, upholding honesty and integrity, and making it very much a part of its way of doing business. Corporate responsibility may not be seen as attractive in terms of monetary gains, but rather, in the long run, its value developed dividends in the form of enhanced trust and commitment. There was a confidence that future decisions and practices of the organisation would be undertaken with the same care and attention, further enhancing the attractiveness of working for the company.¹²

While perhaps not widely known by the general public, Siemens' employees on the other hand are well aware of the company's attitude and pro-active approach to being a socially responsible organisation. As noted above, employees know that Siemens' corporate policy of ethical responsibility is very much a part of being a successful and profitable business. They are able to see that the company's conduct of business is in line with its stated ethical approach, devising programmes and developing strategies

¹⁰ Interview with Mr Mohammad Naseem, Financial Controller at Siemens Afghanistan, 7 May 2013

¹¹ Interview with Mr Mohammad Fahim, Business Administrator at Siemens Afghanistan, 13 May 2013

¹² Interview with Mr Ahmad Shinwari, Logistic Officer at Siemens Afghanistan, 9 May 2013

that maintain a continuous contribution to the local communities and broader society where it is working, for the betterment of that society.

Many employees worked on some of Siemens' non-profit projects directed towards public benefit. An example is that Siemens is currently working to establish a renewable energy training centre in Afghanistan in order that unskilled Afghan candidates are able to develop new and important skills which can then be used to assist their local communities which will make positive contributions to their society and to the nation's economy. With rare exception the surveyed employees expressed support for the project and its potential for bettering the lives of others.¹³

Similarly, the company welcomed ideas brought forward from staff of local or regional offices suggesting ways to enhance and improve the general welfare and morale of local communities. As an example of such a programme, Siemens employees made contribution in funding of a project in which green zones were developed and enhanced in Kabul city to help improve air quality. Air quality is a serious problem arising both from dust and traffic pollution.

1.4.4 Living by Values

Employees were equally impressed with the company values that are also given a high degree of importance by every member of the company. They regarded this as a defining characteristic of senior leadership, because of the way in which their decision-making constantly exemplified and was applied them at every level.

Typically, these values included conducting business fairly, maintaining fair and ethical practices, dedicating services and continuing benefits to the company's shareholder public, and having a working policy of protecting the rights of its customers.

Employees held a positive view of the overall quality of values formulated and applied by management, as well as by the constantly improving changes and developments in these policies, which brought increasing effectiveness and benefit to the workplace and larger community.

¹³ Interview with Mr Mohammad Fahim, Business Administrator at Siemens Afghanistan, 13 May 2013

Historically, from a very early stage, these values had been instilled by management and set in motion for all personnel, from executive management through to all levels of staff. As part of the Siemens' 'doctrine of responsibility' it was emphasised that these values should be given importance by everyone as a matter of policy.

Similarly, this inculcation of values over a long period of time projected themselves in employee conduct, application of the qualities to their work, and their attitudes.¹⁴ Repeatedly they referred to and expressed their appreciation for the respectful working environment in which they worked, and that their work and responsibilities were a direct outgrowth of this atmosphere.¹⁵ They could see that their own performance and conduct was positively influenced and in many ways dictated by the positive and supportive environment of their surroundings and interaction with other company personnel.

1.5 Organisational Culture

In addition to the characteristics of management that were stemming from the Siemens' approach to leadership, Siemens's employees were positively influenced by other qualities associated with the company's organisational culture. Traits mentioned and liked by Siemens' employees are described below:

1.5.1 Organisational Culture of Performance and Productivity

Employees expressed strong confidence in the positive traits and organisational culture present in Siemens. They saw this exemplified in enhanced employee performance. According to them, there is a general perception within the organisational culture that extra and self-motivated efforts are encouraged, for which employees' derived personal satisfaction and appreciation at being linked to a constructive environment that recognised their contributions as well as their achievements.

Siemens' organisational culture evolved in a way that creates employee motivation and encouragement. Regular employee engagement session was as an obvious step

¹⁴ Interview with Mr Mohammad Fahim, Business Administrator at Siemens Afghanistan, 13 May 2013

¹⁵ Interview with Mr Gul Zaman, Service Engineer at Siemens Afghanistan, 2 May 2013

to increase staff morale, and to encourage dedication and effort by staff at each level for they would see that the company appreciates them. This display of supportive leadership also formed the basis for promotions and bonuses.¹⁶

At the same time, practices within the culture were clear and generally understood by staff so that it automatically provided grounds for the many different functions and processes of the organisation to move forward smoothly and to enhance the general productivity, bringing many benefits and gains for employees. This approach also created a strong sense of clarity for them as a result of responsibilities being made clear and unambiguous. While working in such a high performance environment, employees felt that their efforts were being recognised and that their skills were being utilised to maximum capacity. This in turn acted as a strong encouragement for them to maintain a high standard of effort and performance.

1.6 Operational Excellence

In order for it to become the successful international corporation that it is in its different sectors of concentration, Siemens has spent much effort over the years to perfect its management and corporate focus. Whether viewed for its technologically innovative approach or the emphasis on human and community resources, Siemens has developed an operational system of a consistently high calibre in each of its spheres.¹⁷

In furtherance of this long-standing policy of developing and maintaining high standards, Siemens has implemented a system of operations and management through its vehicle PM@Siemens.

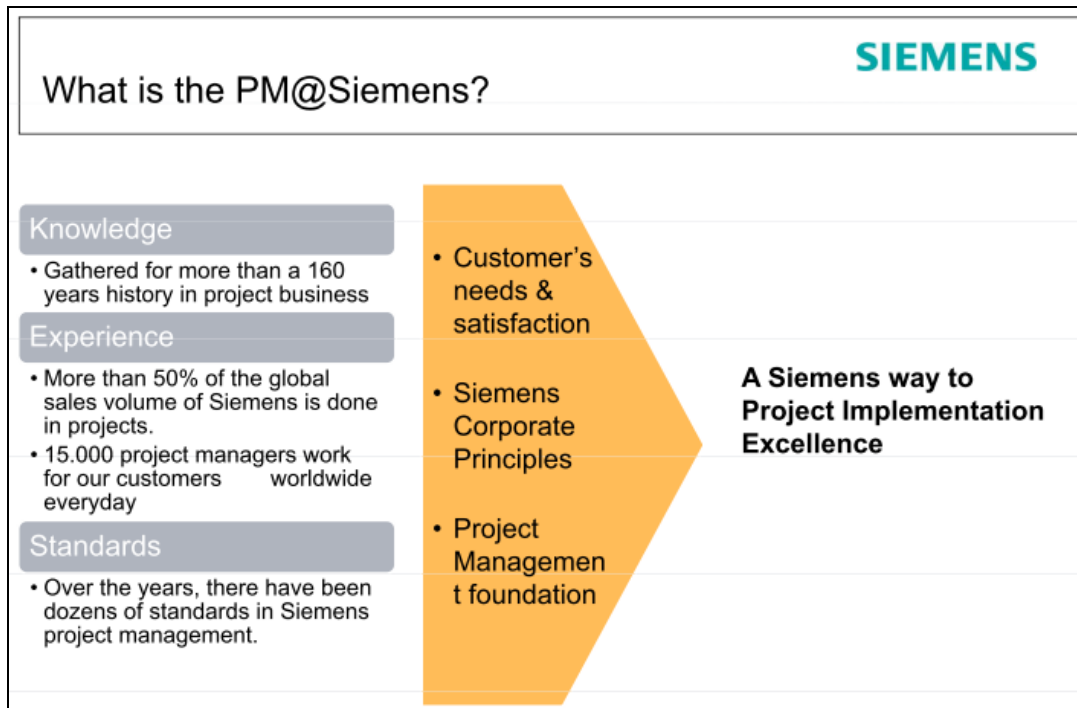
1.6.1 PM@Siemens

Siemens has devised a systematic approach to project implementation and management from its 160 years of experience that reflects and guides its operations worldwide. It draws together in a comprehensive form the essence of Siemens' corporate philosophy and principles, work approach, management style and customer

¹⁶ Interview with Mr Sajid Rizvi, Project Manager at Siemens Afghanistan, 15 May 2013

and employee satisfaction goals that have made the company particularly strong in these fields, bolstering its reputation for superior capabilities.¹⁸

Figure 1: PM@Siemens



Source: Siemens

This system relies on extensive computerisation across a wide range of processes: from tendering approvals, contracts, procurement, material acquisition, outsourcing, warehousing, and employee relations, to even smaller matters such as day-to-day performance control. Owing to the comprehensive nature of these combined systems with their positive human resources focus, employees feel very much a part of an organisation where operational practices make the working environment both pleasant and productive.¹⁹

Throughout the surveys Siemens employees “repeatedly voiced” a high regard for the operational excellence in the organisation, which they regarded as another source of

¹⁸ Information provided by Mr Sajid Rizvi, 29 April 2013

¹⁹ Interview with Mr Sajid Rizvi, Project Manager at Siemens Afghanistan, 15 May 2013

job satisfaction. While deriving inspiration from the work ethic passed down through the tiers of management, employees found that while demanding, work was at the same time easier and less stressful than otherwise would have been possible in less progressive businesses.

They recognised that everyone was confident of what is expected of them and their responsibilities, with the integration of well-structured systems supporting operations at each level.

Respondents were also positive about Siemens' management for their 'hands-on' control of all operations spread across its presence in more than 190 countries. In spite of the scale and diversity of these operations, they felt that ambiguity was at a minimum and clarity of operations was well-directed and efficient. According to them, Siemens was one of the few organisations that took a lead in introducing or adopting the latest management techniques and technologies with the result that new work projects were consistently initiated in an orderly and unambiguous manner.

Although Afghanistan is a country in a restoration phase from decades of war, destruction and disruption, Siemens has continued to maintain its management and operational standards in the country, in spite of such difficult local conditions. As a result of this consistency of Siemens' management policies, employees felt reassured and positive about the smooth and uninterrupted management of the organisation. This has had the additional benefit of security and commitment from Siemens' Afghan employees who are working in such a difficult environment.²⁰

1.7 Essence of Team-Work

In Afghanistan, Siemens's major revenue comes from the project business; where teamwork becomes an essential aspect for the successful project execution regardless of working conditions. Site location work, travel and construction activities require good team cohesion and management. To this end, Siemens management emphasises the importance of team development and coordination. This includes

²⁰ Interview with Mr Arif Zarin, Project Manager at Siemens Afghanistan, 16 May 2013

intense training geared towards team management and performance to develop a 'shop floor' culture of teamwork and cooperation across sectors and skills. Rewards of promotions to reflect appreciation and successes in skills development successes are regular features, assuring heightened efficiency within teams and individually.

Employees of Siemens responded well to and liked teamwork training and application, which they felt reflected Siemens' positive and genuine attitude towards personnel development and positive relations. They had learned and experienced many important things while working in the team and had drawn much professional expertise and personal satisfaction from this aspect of the company's operations. Respondents saw the emphasis on teamwork and mutual cooperation as a major part of Siemens' organisational culture, which was always clear and unambiguous, with support at each level of supervision to ensure that employees felt supported in their responsibilities. This in turn they saw as giving maximum benefit to the organisation, which in turn supported them in their own lives.

1.8 Employee Engagement

1.8.1 Siemens Global Engagement Survey (SGES) 2012

In June 2012 Siemens conducted a company-wide *Global Engagement Survey (SGES) 2012* in which the 34 members of the Afghanistan office participated.²¹ Subsequent published results provided a clear indication of the level and degree of employee confidence in the organisational culture of Siemens, and the company's established philosophy.

²¹ Document provided by Mr Mohammad Fahim, Business Administrator at Siemens Afghanistan. 15 March 2013

1.8.1.1 SGES 2012, Key Survey Facts

Figure 2: Key Survey Facts, Siemens Global Engagement Survey 2012

Participants	<ul style="list-style-type: none">All active Siemens employees worldwide
Survey Method	<ul style="list-style-type: none">Survey was administered in 40 languages using mixed methodologies – paper and online version
Survey Concept	<ul style="list-style-type: none">Survey will be administered annually to compare results over the years
Administration	<ul style="list-style-type: none">June 4 to June 22, 2012 (paper version)June 4 to June 29, 2012 (online version)
Questionnaire	<ul style="list-style-type: none">42-item questionnaire measuring Employee Engagement and several other topics
Anonymity	<ul style="list-style-type: none">Survey is completely anonymousComplies with data privacy and data security requirements

Source: Siemens

1.8.1.2 SGES 2012, Survey Results: Employee Engagement

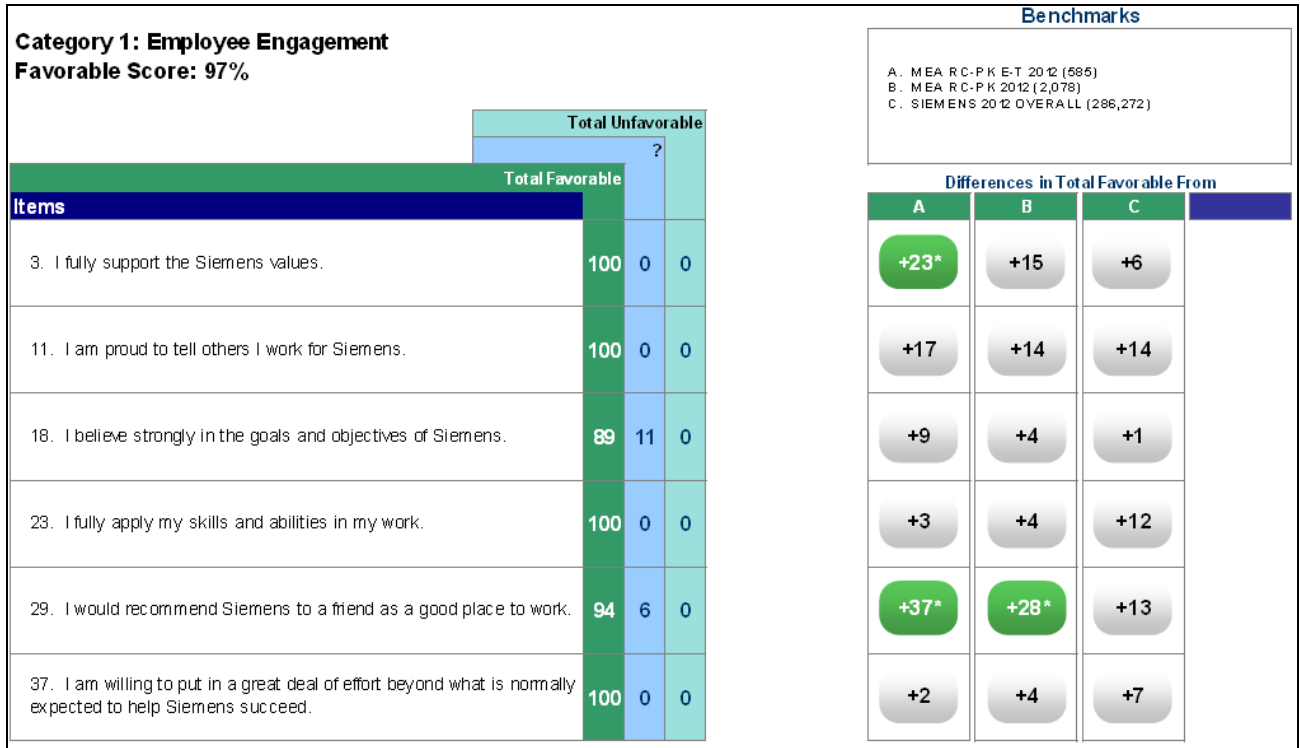
This category relating to employee engagement contained 6 questions regarding Siemens' values. These can be summarised as follows:

1. Do employees support Siemens values?
2. Employee attitude towards their employer
3. Goals and objectives of the company
4. Application of employees' professional skills and work abilities
5. Would employees recommend Siemens to a friend as good place to work?
6. Employee willingness to put effort beyond normal expectation to support Siemens' success.

Announced results confirm that 100% of employees are supportive of Siemens' values. The survey contained strong confirmation of positive employee support of the company and in their work, as evidenced by their pride in telling others of their work

and about the company. In addition, 89% of employees expressed strong support and belief in Siemens' goals and objectives.²²

Figure 3: Employee Engagement



Source: Siemens

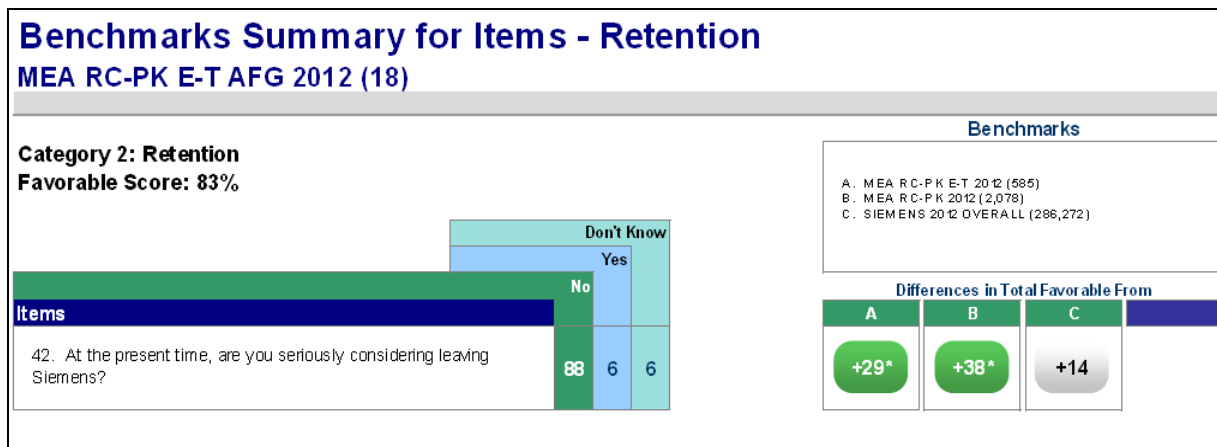
1.8.1.3 SGES 2012, Survey Results: Employee Retention

In the area of employee engagement, 86% of Siemens employees, when asked if they are genuinely considering leaving Siemens, responded in the negative.²³

²² Document provided by Mr Mohammad Fahim, 15 March 2013

²³ Document provided by Mr Mohammad Fahim, 15 March 2013

Figure 4: Retention



Source: Siemens

1.8.1.4 SGES 2012, Survey Results: Leadership at Siemens

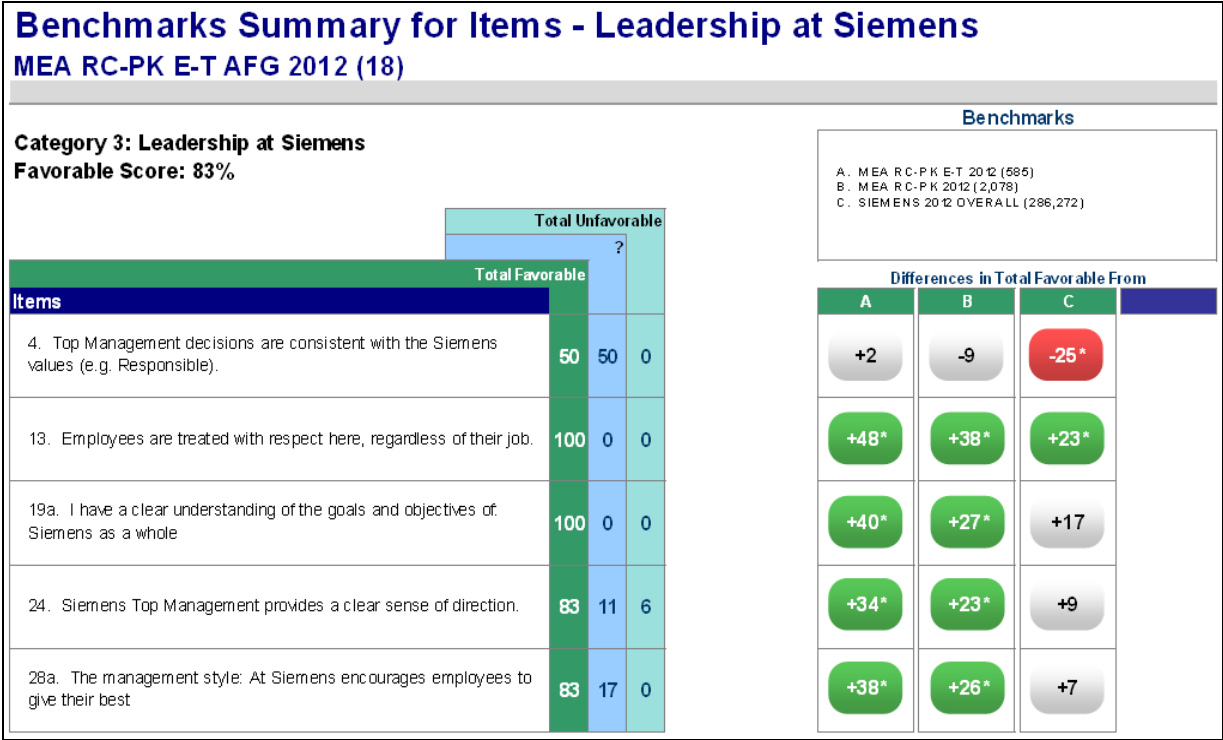
The SGES survey results confirm that employees see themselves as being well-regarded and treated with professional respect regardless of job classification. Additionally the survey reflects that they are well aware of the company's goals and objectives. There was however, a dissenting view regarding decisions of top management. They were not in full agreement that "the top management decisions are consistent with the Siemens values".

Within the survey this was the only area of specific disagreement. It is acknowledged that much more is required to be done in the area of decision making when it comes to implementing Siemens values. This question in the SGES survey required further elaboration in order to learn from the highlighted weaknesses.

Employees wished to see a clear strategic direction, combined with a vision for that direction. A strong sentiment expressed too, was that one day the Afghanistan office would be able to function with greater autonomy and to become more independent, rather than relying upon other Siemens entities for the execution of projects.

This however, can only be possible if the Afghanistan office is supported with appropriate resources, technical capabilities, and strong investment for sustainability of the business.

Figure 5: Benchmark Summary - Leadership at Siemens



Source: Siemens

1.9 Employee-Oriented Organisation

In this study a significant reason for the attachment, enthusiasm and loyalty of employees stems from their view that Siemens is an organisation that values its employees and that it is willing to take steps to ensure their professional and personal betterment and welfare.

When an organisation is sensitive to issues of its customers, it is mainly derived from leadership decisions and direction. In the same manner, where employees are given due credit and support, and the organisational culture is given such a shape that it performs its role to an optimum degree, success is the highly probable outcome for the

customer, and for the employee who looks to the organisation for a reciprocal, positive relationship where good work results in a reinforced positive customer relationship.²⁴

1.10 Care for Employees

According to its employees, there were many factors that showed that the Siemens organisation had genuine concern towards them in numerous ways. Almost all of them noted that working hours and schedules were flexible enough to provide enough time for their leisure, comfort and family needs, seen as particularly important because of the stressful conditions in the country itself to which they are all subjected. Whenever an employee required personal consideration for example, owing to family or security issues, they felt that they could rely upon the company to support and understand their individual situation.

Management had also devised procedures to ensure that no employee should be pressurised by unreasonable working hours or responsibilities, and that there should be logical and reasonable working hours and assignments commensurate with abilities and responsibilities. They were of the view that this was not the case with a number of other organisations where employees were forced to work with far less incentive and support.²⁵

Another factor recognised and appreciated was the equal treatment employees received without discrimination in their jobs and positions. In particular this environment was all the more relevant because of the broad ethnic diversity of the country, where the nature of Siemens' work brings together employees from many diverse social and ethnic communities. Within the organisation these differences tended to be secondary, with personnel being Afghan employees of Siemens first and foremost.

Although many procedures are automatic and standardised, employees were aware that management was genuinely interested in their well-being. When they encountered any kind of problem or difficulty, they felt confident to discuss matters

²⁴ Interview with Mr Mohammad Naseem, Financial Controller at Siemens Afghanistan, 7 May 2013

with their line supervisors seeking to resolve issues. Company reputation and support was an unspoken known quality upon which employees felt they could rely without fear of refusal or rejection. All these perceptions had developed into a solid trust by them, allowing them to feel confident that they would neither be let down nor left on their own.

1.10.1 Appreciation and Recognition

Respondent employees realised that they are appreciated and recognised for their efforts and contributions. Such a corporate attitude is ideally suited to maintain high morale and motivation of employees, a quality of particular importance in the unstable environment of Afghanistan. Siemens' recognition that special efforts carried out by employees should be given due importance and recognition has helped to develop a positive working environment within the company. Such a constructive approach has shown positive results in that employees are further motivated to extend their efforts.

The efforts and dedication of Siemens' staff are recognised in the form of bonuses, promotions, certificates, awards and other distinctive gestures, which are given high importance by the company. There is a well-established culture that special efforts and unique contributions or ideas facilitating the works programme will be acknowledged, so that one should feel that his efforts are always important and not wasted.²⁶

For this same reason employees frequently are eager to take on new responsibilities and to accept and meet challenges. This attitude has resulted in the development of a culture where workers willingly exert themselves show willingness to undertake on going training, and to make further additions to their workplace by way of reinforced commitment and positive attitudes.

This positive attitude and mind-set of Siemens' staff has contributed to the company's expansion and good relationship within communities where it has a presence. One such attitude is that of a complete and firm trust in the organisation that results in the continuous and efficient performance of its employees. Another is the trend of new

²⁶ Interview with Mr Mohammad Naseem, Financial Controller at Siemens Afghanistan, 7 May 2013

innovations that comes from the efforts of dedicated workers who are positively recognised and appreciated from the top down.

1.10.2 Individual Development

Siemens relies upon continuously developing technical functions to be carried out by skilled employees. There is great demand for more and greater complex technological systems which rely upon many levels of skilled personnel to apply their functions. It is highly important for the company to give the highest priority to the training and skills development of its workforce in each sphere of operation.

Another aspect the study confirmed is that of employee confidence in the company's commitment to their professional development, by ensuring their continuous and on going training and development. Training sessions, seminars, workshops and other training activities aiming for improvement of employee skills and knowledge require a large investment of capital and manpower, which is seen by the company as an essential outlay in support of its cutting-edge business model in a highly competitive global marketplace. Employees join such training and capacity building gatherings in their local areas, as well as taking advantage of opportunities for training in other countries and regions where Siemens holds offices and training facilities. Through such a fluid programme workers in training take advantage of the opportunity to expand their knowledge base from others in the same and different backgrounds and with different skill sets.

Employees were of the view that management is very much concerned and interested in their on-going development and that it went to great lengths to ensure the best possible attendance and opportunities for them. This style and approach of management has helped staff in Afghanistan to improve their skills on an on going basis. This in turn helped them to feel more confident, while simultaneously continuing their responsibilities in technical areas and in other fields. Due to the continuous programmes of personal development, employees were able to exhibit superior performance and to achieve promotions to better positions, and to handle more important responsibilities in the process.

These many combined elements resulted in increased confidence among staff in their jobs and in the overall management of the company, which they could clearly see have their interests at heart.

1.10.3 Employee Empowerment:

Employees recognised that they enjoyed a sense of empowerment achieved through the emphasis from management upon their individual and collective worth and importance to the company. They saw themselves as being given much freedom to enhance their performance, to take responsibility for themselves and their work, and to move through promotions to higher positions of responsibility within the company structure. It was also the general practice of the company to ensure that only the more deserving staff should be given the chance to excel, and that there should not be any discrimination in this process. Employees with different backgrounds, religion, colour, language or geographic positions were given autonomy to perform better and to work towards better positions. This approach was recognised and understood to be of great importance to both company and personnel.

At the same time, employees were given greater authority to choose the procedures and techniques that they thought suitable for them. Managers did not ask them to do any work in a way that was not according to their wishes and abilities, which is a factor that added to the general output by the employees.²⁷

During the decision-making process the voice of employees was given importance. Their opinions were sought on all the issues, and their ideas were accepted and valued by management. As a result of this, employees felt themselves valued as an important part of the organisation more than ever. This encouraged them to take greater responsibility for making successful decisions which were being made by them in the course of their duties.

Staff members enjoyed working in an environment where their voices were given importance, and where they were able to share in the workings of the organisation, including decision-making. They credited this particularly to the decision-making style

²⁷ Interview with Mr Gul Zaman, Service Engineer at Siemens Afghanistan, 2 May 2013

of top management and they voiced the conviction and trust that they too, would also be able to achieve top positions in their respective sections through their own efforts, which from experience, they knew would be recognised and rewarded.²⁸

1.11 Conclusion

At Siemens Afghanistan, each and every employee is conscious of the fragility of life in their country. In the midst of this their employer, Siemens, stands out as a stalwart, strong and committed organisation with solid, unimpeachable values at its centre, providing a reassuring and stabilising influence for them. This case study examined and depicts findings about the feelings and thoughts of the employees of Siemens. In brief, these employees held good and positive perceptions about their employer organisation.

The study reflects that they credit much of their positive impression upon the representative features of the company, such as leadership, the organisational culture, and the strategy of valuing employees and their contributions to the team and each other. It confirms that an organisation is not an isolated entity, but one made up of many individuals and groups of individuals, who, when they realise and see that they are valued and are seen as an important part of the machinery of commerce, will become more solidly dedicated to their employer's direction and objective. Fairness, professionalism, human interaction and conscious recognition of the human elements are the key to success for everyone. Siemens' organisation culture contributed immensely in employee motivation which is the perfect reflection of local leadership.²⁹

²⁸ Interview with Mr Gul Zaman, Service Engineer at Siemens Afghanistan, 2 May 2013

²⁹ Interview with Mr Mohammad Fahim, Business Administrator at Siemens Afghanistan, 13 May 2013

2. SECTION TWO: LITERATURE REVIEW

2.1 Introduction

The literature review of this research project encompasses three wide fields of management: leadership, organisational culture, and employee issues.

The primary objective of these outlined topics is to identify and elaborate upon those leadership characteristics and qualities that result in good decisions that provide positive effects upon each part of an organisation, as well as providing a definite shape to the ideal organisational culture.

Under such circumstances, there would evolve ideal conditions for employees that would both motivate them and also to help them to come forward with their best skills and efforts to make positive and on-going contributions to the organisation, which in turn would enable it to become more successful.

2.2 Leadership

According to Yuan & Lee (2011:124), “Leadership is one of the key drivers of organisational performance” The classic and a more formal definition of leadership is given as ‘the quality of a person to lead an organisation’ (Chan *et al.*, 2012:40). In the context of modern-day leadership, taking into account its responsibilities and broad functions, such a definition appears to be narrow of scope and limited in application.

Bhugra *et al.* (2013:3) emphasise that “Leadership is crucial in any sphere of life. The meaning and functions of leadership are influenced by a number of factors, including culture and the role of leadership. Leaders lead because their role is to act with vision related to an organisation or an institution”. However, Kanter (2011:38) argues that, “Intellectual courage is necessary to challenge conventional wisdom and imagine new possibilities. Leaders must refuse to accept limits or stop at industry boundaries”.

Today’s business environment is characterised by two important features in addition to other key qualities: Firstly, the pace of conducting business today has become so

rapid that an organisation cannot survive if it is inflexible and unable to adjust to an evolving and fast-paced commercial environment. Secondly, aggressive competition at every level of commerce means that every business is on the lookout for that small edge or advantage that enables it to develop a quick and sustainable lead against competitors. In such conditions businesses have been forced to mutate into 'learning organisations', for without learning tools and practices fine-honed and adjusted for this aggressive and competitive marketplace, they will be unable to survive. It is the process of learning that provides the ways and means for a business to constantly be aware of and adapting to the changes of the business environment, enabling management to make preparations thereby to meet these challenges and to adopt survival skills (Schoenberg, Collier & Bowman, 2013:249). Argote (2013:2) confirms the importance of organisational learning as a catalyst to overall growth, noting that, "the productivity gains derived from organisational learning are significant".

Another characteristic of modern leadership is that of responsibility. A leader cannot escape responsibility for his company's failure by offering such excuses as poor employee performance, external conditions, economic fluctuations and other 'problems'. It has been adequately demonstrated that leadership demands that awareness and knowledge of the 'bigger picture' extends far beyond the immediate, localised world of the business organisation and community.

Business management understanding of the importance of employees as 'people' rather than as 'cogs in the wheel' is crucial more than ever now, and is a trait that an effective leader must be able to demonstrate. It enables him/her to lead, extracting from them a personal, and concerted effort and commitment to bring forward their best efforts.

In summary, characteristics of the effective leader cannot be limited to only a few 'ideals', for changing times and conditions demand that he/she be able to adapt and adopt different roles and styles to suit and meet the innumerable variables of organisational management today

2.2.1 Strategic Leadership

In their seminal work, Katz and Kahn (1966) categorised organisational leadership into three distinct groups, namely strategic, operational and tactical. These categories differ from each other in their effects upon organisational origination and structure and the utilisation and interpolation of the strategy (Katz & Kahn, 1966: 308-335).

There are several interpretations of strategic leadership. For example, Pearse (2012) refers to the process as administering and directing an organisation in the manner of its overall organisation and operational strategy. This study examines how leaders have created, developed, and/or maintained organisations. Adding to this, Schoemaker *et al.* (2013:2) consider strategic Leadership as “the essential skills” for taking the organisation from good to great. Similarly Gavetti (2011:125) notes that “the strategic leader’s role is to discover distant opportunities’ and that the strategist ‘must identify appropriate representations of the business”. To this he adds that the best way to do that is by using associative thinking techniques. Rowe (2001:83) sees strategic leadership as a synergy between managerial and visionary leadership and defines it as “the ability to influence others to voluntarily make day-to-day decisions that enhance the long-term viability of the organisation, while maintaining its short-term financial stability”.

Trends in business approach and operations are well known to shift with the changing tides of style, fashion and demands from the marketplace. Robert (1997) affirms that, “the next trend that will become accentuated in the twenty-first century will be that of competition”. However, it is essential to see how the ethical organisation is to adjust and to cope with the challenges faced in conducting clean business practices in an environment dictated so sharply by competition as a driving force. These organisational challenges highlight the role of the CEO and top management in making decisions that maintain the distinct advantage of a company in comparison to its competitors. Hitt *et al.* (2001:385) emphasise that effective strategic leadership practices are required to enable companies to compete in turbulent and unpredictable environments, and that strategic leadership is itself, a source of competitive advantage. That is, strategic leaders can potentially outthink, out plan and

outmanoeuvre the competition with a strategically successful positioning of the company over the long term.

Schoemaker *et al.* (2013:4) also highlights this characteristic, emphasising that one of the important factors that highlight the effectiveness of a leader is his ability to promote learning within the organisational environment. In this regard, they promote a culture of inquiry. Searching for lessons in both successful and unsuccessful outcomes is necessary - even in case of failures. The leaders should study their own strategies and of their teams to find hidden lessons that are always there to be found and learned from.

A key phrase appearing more frequently in use has to do with sustainability and competitiveness, more applicable in private enterprise than in government. Understandably it is more the commercial marketplace that makes use of this aspect, rather than official or government bodies, with their appreciation of the commercial connection between sustainability and competitiveness in the current commercial climate (Esty & Charnovitz, 2012:122).

2.2.2 Leadership and Organisational learning

According to Marquardt (1996:121-124), an organisation becomes a learning organisation when its employees are encouraged to learn and the organisation places particular emphasis on this element. This factor is critical, while applying in principle to everyone in the organisation, for it is the top leaders who are responsible for setting direction, goals and strategies. Similarly, Frearson (2003:19-25) argues that tomorrow's leaders must be 'learning leaders', and that it is this quality that may determine whether there is success or failure, or if an organisation becomes first or second rate. However, Ready *et al.* (2010:84) are emphatic that focus must be upon "catalytic learning" e.g.: that there is an active interest in action based upon the learning process, not just learning for itself. They further emphasise the importance of behavioural change, for without it, it "is opportunity wasted".

For this it is important that the leader should have superior receptivity and observational skills, enabling him/her to notice details that may have escaped the attention and sight of the organisation's employees (Waller, Hallenbeck & Rubenstrunk, 2010:6-10). In the same way, he should be receptive to an entire spectrum of information from the wide range of resources to which he is exposed, enabling him/her to make necessary decisions and policy adjustments throughout the organisational structure and with employees, always to be more than one step ahead of competition. Being aware of not only the immediate company information, but the wider, global elements affecting the business is an essential that must be a 'living dynamic' within the leader.

Similarly, in the findings of his study, Tom Karp (2013:127) shares that, "leaders therefore need to cultivate an understanding of self by engaging in formative processes which are related to their ability to learn from defining situations, thus raising awareness of points of convergence in a leader's career".

2.2.3 Leadership and complexities

The global marketplace of the 21st century, with its increasingly complex demands and its usage of high technology, complex financial instruments, sophisticated international business practices and markets, are adding ever-growing pressures. To meet them a leader with exceptional qualities is called for (Kumar & Siddharthan, 2013).

Likewise, Klingebiel & Meye (2013:133-153.) emphasise that essential and far-sighted decisions can best be taken in the complex business environment when a leader is fully aware of the numerous and varying situations in his surroundings, enabling him/her to make decisive decisions in which 'no stone is left unturned'.

Metcalfe & Benn (2013: 369-384) add that these kinds of leaders are the ones who can read and predict through complex situations and problems and engage in wide-ranging group dynamics. These individuals are orientated towards "adaptive organisational change with their own emotions associated with problem solving" (Metcalfe & Benn, 2013: 369-384).

In further broadening the meaning of leadership dealing with complexity, Snowden & Boone (2007:70) see complexity as more “a way of thinking about the world than a new way of working with mathematical models”. In other words, there is no specific formula as in a business model, but rather that being able to address these issues relies primarily upon the ability of the leaders’ abilities to incorporate a multi-layered perception of the world in which they are working, and leading. They further point out that, “complexity is poised to help current and future leaders make sense of advanced technology, intricate markets, cultural changes, and much more” (Snowden & Boone, 2007:71). This leader must have the inherent capacity to stand back, survey, visualise and then direct action to put into effect policies that grow from an instinctive, intuitive and firmly business-based understanding of the mechanisms of the organisation and its products and services. This 21st century leader/manager/executive is called upon to offer more effort and have greater scope of comprehension than ever before and very much more than employees in general.

2.2.4 Leadership and ethical business practice

Brown *et al.* (2005:120) define ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships and the promotion of such conduct to followers through two-way communication, reinforcement and decision-making”. In addition to these many other criteria, Brown & Trevino (2006:596) observe that, integrity “would be important to perceptions of leadership effectiveness”. It is integrity in both personal and professional spheres that is called upon, for one cannot be without the other. A positive management/employee relationship is a key ingredient for growth and change which must be an integral part of the dynamic global world of commerce today, for as Aronson (2001:247) explains, it is the “relationship between leaders and followers who collaborate that brings about meaningful change”, for “it is based on mutual objectives”, with success much more possible in such a coordinated interrelationship.

A key element in creation and maintenance of effective ethical leadership behaviour is when those in positions of following have jobs high on autonomy, as mentioned by

Kalshoven *et al.* (2013:170), emphasising that the social exchange relationship between an ethical leader and his/her followers is important.

Information technology is but one element amongst a host of many other factors that must be kept in view by the leader who wishes to bring his organisation into a strong position. Carroll (2000:41) notes that “companies will be expected to be profitable, abide by the law, engage in ethical behaviour, and give back to their communities through philanthropy, though the tensions between and among these responsibilities will become more challenging as information technology continues to push all enterprises toward a global-level frame of reference and functioning”. Gone are the days when running a profitable organisation was the primary objective, with scant regard to the broader concerns in the communities in which they worked, or needs and interests of workforces. Information and its abundant availability ensures that no organisation can escape scrutiny whether from shareholders, politicians, bankers or internet bloggers keeping an eye for the slightest infringements upon others.

2.2.5 Leadership and organisational performance

The idea of ‘leadership’ is accepted and recognised, with much written about it. Actually defining its function continues to draw a continuing stream of theories and study. Komives *et al.* (2009:19) however, applies a simple, uncomplicated definition of its function saying, “Leadership should attempt to accomplish something or change something” - a simple, clear and unambiguous explanation. Adding to this McColl-Kennedy & Anderson (2002:543) suggest that “regardless of their respective organisation’s size or structure, most leaders strive to maximize the performance of their subordinates in order to achieve organisational goals”.

Assessment of an organisation’s performance unequivocally demonstrates that success stems not from a few large, noticeable successes but rather from a large number of smaller ones stemming from good decisions beginning from the top tiers of management. Individual contributions to the collective effort is essential, as reflected by Yukl (2012:66), who states that, “the essence of leadership in organisations is

influencing and facilitating individual and collective efforts to accomplish shared objectives”.

The impact of good leadership can be seen in the form of inspired and outstanding organisational performance (Khurana, 2002). It would be unfair to limit this performance merely to some statistical figures showing the monetary performance of the organisation, because monetary gain or loss indicates only a one dimensional perspective of a multi-dimensional combination of elements originating at the top where the leadership sets directions, policies and inspirations. When everything within an organisation is working properly and the more things in that organisation that are in order, the more will be its productivity and profitability.

The most important function of leadership is to set direction. When an organisation is moving in a correct direction and elements are correctly in place, it is reasonable to expect it to perform at its best and to achieve its targets. In today's challenging and complex business environment, where change is always 'just around the corner', keeping the organisation moving in the direction intended by management vision is not an easy task. To do so demands a leadership capable of maintaining a wide-angle scope, keeping sight of its objectives and the many variables always at play.

There are an additional important two features associated with leadership: the ability to recognise foreseen and unforeseen opportunities and to take full advantage of them. This is matched by the foresight and ability to steer clear of negative developments and threats to the continuity of the organisation's objectives and directions. By being alert and attentive particularly to these two areas, leadership is in the position of being able to benefit both in taking advantage of opportunities as they arise, and to avoid losses through unexpected negative situations. These two factors, which appear inversely proportional to each other, can determine the long term success or failure and final destiny of an organisation.

When organisational performance is evaluated using such areas as brand and market development, employee performance, morale and commitment, and company

goodwill, credit to the leadership's performance must be acknowledged, for without its qualities success cannot be assured.

2.2.6 Leadership and Organisational Culture

As mentioned above, organisational culture is found in a group called the organisation. Just as nations can be seen as a culture of organised groups, large corporate business is also made up of groups, but comparatively less complex, but shares some similar features.

Lok & Crawford (2004:335) in their seminal study confirm that, "organisational culture and leadership styles are important organisational antecedents of job satisfaction and commitment. However, the important contribution was the demonstration that national culture can produce statistically significant moderating effects on the impact of certain demographic, leadership and organisational culture variables on job satisfaction and commitment".

Organisational culture develops through the decisions made by, and the styles of, management from the top leadership. They are taken as role models and examples by the employee chain throughout the organisation, and whatever and however they do their respective duties and tasks, same style prevails throughout. With the passage of time and continuity there evolves this 'organisational culture' – simply put, the way things are done. When leaders are responsible for giving a definite shape to the organisation, the credit of productive or non-productive culture also goes to them. In a sense this leadership style dictates the organisation's fate, by nature of the culture within it.

If honesty, integrity and ethical conduct are shared and seen as common values throughout the organisation at every level, there would be an 'unwritten law' within the organisation to act and to conduct oneself to reflect these characteristics in all the circumstances. With the passage of time this would be taken as the representative character of the organisation, a quality understood by everyone who interacts with the

organisation, and it would have great appeal to all those who like and respond to being part of an ethical environment.

2.2.7 Setting the tone at top

Success is achieved through the concerted and unified efforts and focus of the workforce from top to bottom: while individual talent and contributions can make an impact within the localised or departmental level, it takes teamwork across the entire organisation to deliver the support for expansion and success. Schwartz (2010) observes that “as a leader, you have myriad opportunities to set the right context for your employees to replenish their energy”. Fulmer (2004) further affirms that a positive role model is influential to employee functioning, and that employees respond most positively to a work environment where “top management sets an important tone by encouraging open and honest communication so that employees feel empowered to raise issues”.

Organisational culture helps the new employee learn how things are done, indoctrinating him/her into the manner and methods that are accepted standards in the respective section of the organisation. It then leads them through the process of socialisation where they are taught the accepted norms and mores within the group. In this way the organisational culture is carried forward to be engendered in following generations. The more one lives in this culture, the more one learns and absorbs it. The process of learning an organisational culture starts from perceiving, thinking and feeling it, then becoming immersed into it.

According Schein (2006), Organisational culture is the result of either external adaptation when an organisation wants to adapt to the external challenges or remove its strangeness to the external environment, or it may be the result of internal integration when certain steps are taken by the top leadership to increase integration within the organisation and this would definitely remain and be understood as the culture of the organisation.

Taking into account this observation, it is not surprising if all the present-day business organisations give such great importance to development and emphasis upon

organisational culture, and expend greater efforts to better understand and to develop it.

2.2.8 Organisational Culture and Corporate sustainability

“The concept of corporate sustainability has gained importance in recent years in both organisational theory and practice” (Linnenluecke & Griffiths, 2010). Relationship between organisational culture and corporate sustainability was observed by Sabri (2013) that, “many of the problems, during the world’s financial crisis, originated because most executives did not pay attention to their corporate culture as they did with regard to their profits, assets, brands, and quality of products and services”. Moreover, Sabri’s (2013) study introduced the idea that corporate culture offers a means of protection from many risk factors that can be addressed in times of crisis to increase chances of survival.

2.2.9 Changes and Effects upon Organisational Culture

As organisational culture is aimed to facilitate the smooth interaction between the members of the various groups within the organisation, so when occasions occur requiring changes they may be introduced in order to make this interaction more effective. Likewise, Schwartz, (2010) in his seminal work claim that “it’s not possible to generate lasting cultural change without deeply involving an organisation’s senior Leadership”.

Usually a change in organisational culture is brought about through needs perceived by a significant number of an organisation’s members. As both general and business conditions are by nature unstable and subject to continuous changes and adjustments, organisations recognise that they will be better off accepting and incorporating them into the internal infrastructure. In pursuit of such adjustments changes are introduced to the organisational culture which becomes part of an ongoing ‘organic’ process of adaptation through the acceptance of new ideas and norms.

Similarly practices deemed positive and acceptable, contributing to the overall well-being of the organisation, provide a good reason to maintain and continue their use. As these new practices are repeated and assimilated, they are seen in a positive light, making a beneficial contribution. Conversely, negative situations and behaviours may also bring about changes, from which lessons can be derived, enabling the organisation's members to avoid such situations in future. Thus this scenario becomes part of organisational culture in the inverse manner that positive contributions are added.

2.2.10 Employee Satisfaction and Organisational performance

A major reason behind the success of mass production in the earlier days of the industrial revolution stemmed from the fact that all machines worked in harmony resulting in an increased aggregate output compared to individual piece-work which was the norm at the time. Subsequently, Gupta & Upadhyay (2012) see job satisfaction "as a pleasurable emotional state resulting from the appraisal of one's job; an affective reaction to one's job and an attitude towards one's job".

In the same way, when employees are working in an environment where system, standards, thoughts, practices and ideas are shared and they are reasonably certain of the stability of these elements, they feel encouraged to take commit themselves more firmly, with the result obvious in the form of their performance.

Enhanced employee performance requires that there should be a unified system of working, in which everyone is sure of his/her responsibilities, and every employee is confident that he/she will be given sufficient support if and when it is required. This ideal situation exists in organisations where a firm and clear organisational culture exists, encouraging employees to support each other and to make maximum efforts to the best of their abilities.

Employees also perform at their best when they are provided with and know that there is support and an absence of ambiguity. This again happens within an organisational culture where everyone is sure of the standards and practices that are expected of them within the organisation, and there is nothing ambiguous with which they must be

concerned. When the employee sees and accepts this as a reality, he feels confident enough to perform his duties to a high standard, because he is sure that there is a system that supports and encourages his efforts. In this kind of organisational environment great attention is paid to ensure that uncertainty is minimised, with the result that the employee's sense of self-worth and security are reinforced.

2.2.11 Essence of Team Work

According to McIntyre & Foti (2013), "the prevalence of groups in an organisation's structure stems from a belief that groups or teams are effective, productive units in an organisation". Similarly, Druskat & Wolff (2001) state that "no one would dispute the importance of making teams work more effectively".

When employees work in groups to achieve the same target, the whole process is more productive and efficient when the same aims, thoughts and energy are performed in concert to the same end, with coordination of effort. However, Edmondson (2012) emphasises 'teaming', in that "in today's fast-moving, ultracompetitive global business environment, you can't rely on stable teams to get the work done. Instead, you need teaming".

Edmondson (2012) further stresses that, "teaming allows individuals to acquire knowledge, skills, and networks, and it lets companies accelerate the delivery of current offerings while responding quickly to new challenges. Teaming is a way to get work done while figuring out how to do it better".

Today's business organisations can be termed 'team-oriented organisations', due to the expansion of their business activities, decrease in geographic and cultural boundaries, increased competition in similar fields, and growing and changing national characteristics internationally (Ichniowski *et al.* 1996). Operations of many organisations have expanded so greatly that efficient performance and output is impossible without coordinated employee teamwork. In the same way, creation of the team-work structure has been found very effective in achieving specific tasks. When an organisation is focused on any specific task, a team or teams is created that work

on this task with complete concentration and focus. In such conditions, achievements of teams have been found to be highly productive and useful.

2.3 Conclusion

This literature review demonstrates that leadership is the single most important factor in deciding the performance and fate of a business organisation.

The organisational culture reflects the feelings and thoughts of those people working in the organisation. When good decisions result in a sound, productive and strong culture within an organisation, it results in numerous positive outcomes such as employee satisfaction, performance and most importantly, the overall growth and expansion of the organisation. Our discussion of this literature thus establishes that overall organisational achievements are linked to the leadership, organisational culture and employee performance.

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3 Section Three: Research Methodology

3.1 Introduction

This section describes the various processes and techniques used in the creation of this research project. It has been through the author's own personal and direct observations of employee behaviour and interaction with them on a professional basis, that has formed the foundation of the research methodology used. Before the research process was undertaken, a wide-ranging study of the research topics was conducted in order to design a methodology capable of comprehensively addressing the chosen objectives.

A particularly important consideration revolved around the selection of employees to participate. Many of them, particularly the less-literate and newly hired ones, were unable to provide desired responses. Once a selection of employees was made and a comprehensive study of relevant topics was completed, two different types of questionnaires were distributed to them. Following examination of the findings of this stage of the research, a focus group was selected for detailed interviews and discussion to enable participants to have the chance to express their thoughts openly. Particular effort was made to minimise any barriers and to afford all possible opportunities to them.

3.1 Aims and Objectives

The aim of this research project has been to uncover factors that motivate the employees of an internationally renowned corporation, in a country generally unfamiliar with international-standard organisational practices. The reality of this situation makes the case substantially different from those in highly-developed countries, where high standards are the norm, and where there exists a long-standing history of corporate and organisational structure and culture, as well as the latest techniques and technologies which are accepted as standard norms.

The following objectives were formulated in furtherance of these research objectives:

- Analysing the effects of leadership on perceptions and feelings of employees

- Observing direct impact of leadership upon the morale and performance of employees
- Ascertaining the relationship between employee performance and the global reputation of an organisation
- Discovering the components of organisational culture directly affecting employee performance and satisfaction
- Assessing the effects of the standards and quality leadership decisions upon organisational culture and employee motivation
- Learning the effects of incorporating the latest business techniques and procedures on the performance and morale of employees
- Ascertaining the nature of employee-related issues that creates positive employee sentiment towards the organisation

These research findings can be used by top management to assess the nature of their decisions, to enhance and increase brand popularity and reputation, and to give added attention to the latest and productive techniques and procedures.

3.2 Research Design

'Richness of data', is an essential ingredient that provides motivation and interest in qualitative research, and forms the basis of questioning in interviews and with the focus groups. It supports and furthers the nature of such research and study (Glaser & Strauss,1999).

In order to obtain such rich data in this project, this study was designed in three inter-related processes starting with a simple questionnaire in which close-end questions were asked from a relatively larger group of participants. Following this step, a relatively smaller number of employees given another questionnaire consisting of open-ended questions. These questions relied upon a certain level of academic knowledge to answer them in detail, so the recipient employees were chosen according to the level of their academic qualifications. In the final stage, a focus group of 6 employees was chosen for a detailed interview in which they were given an

opportunity to express openly their viewpoints without any limitations of time and pages.

3.3 Case Study Method

The definition of a case study, as explained by Yin (1994: 13), is ‘an empirical enquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and the context are not clearly evident’. Yin (1994) further advises that a case study is an intensive investigation of a single unit. The unit of analysis could include institutions or organisations (Babbie and Mouton, 2006).

The ‘case study method’ was chosen for it is supported by the above points given by Yin, Babbie and Mouton. The research was to be conducted as the phenomenon and the context were not clearly evident, and the varied nature of replies could make it an open ground for any kind of further investigation. In the same way, we chose a specific organisation, i.e., Siemens.

The adoption of the case study methodology is equally appropriate as it allows for a detailed understanding and interpretation of phenomena within a single bounded system (Welman and Kruger, 2001). It was felt that the characteristics of the case study traits were much needed for this research, as the phenomena to be understood was to be discussed and discovered in detail, and as it was also within a single bounded system, e.g. the Afghanistan subsidiary of Siemens.

3.4 Data Collection Techniques

Yin (1994) states that there are six primary sources of information that one can explore for the purpose of engaging in case study research. These include documentation, archival records, interviews, direct observation, participant observation and physical artefacts.

In this study, the first step of data collection was the direct observation of employees. This later gave way to participant observation, in which the views of some specific employees helped us to learn about employees’ general perception of the

organisation. Once the need of a comprehensive research approach was realised, a general questionnaire was developed that contained comparatively easy closed-end questions. Following this, another questionnaire targeting some limited number of employees with a certain level of academic background and understanding was used. After this a focus group interview was conducted.

At the time of sending the second questionnaire to the participants, care was taken these employees should be willing to voluntarily participate in the process, in order to avoid any possibility of misleading data and information from the findings of the research.

Upon collection and collation of the second questionnaire data, a nearly-clear picture of the research aim and objectives evolved, yet some participants felt that they had much more that they wished to convey, and that there was need of support from their colleagues. From this a focus group was selected in which employees with more mature ideas and thoughts were invited to present their personal comments and ideas openly. This then gave the participants an arrangement wherein they felt comfortable and in which they were able to express themselves openly. At the same time we were able to evaluate the weight of their opinions whether or not they were in tandem with the rest of the members of the focus group.

It was also necessary that we should have access to information about a number of past decisions taken by the company especially in the context of the limitations to such data owing to operational upheavals and instability in the country over several years. A few of these decisions were provided by the organisation with the provision that they should not be used in any kind of archiving.

3.5 Interviews

There are two distinct methods of interviewing: Qualitative and survey interviewing (Babbie, 2008). The basis of the former is set around topics subjected to in-depth examination and discussion, rather than standardised questions. In the instance of this research, interviews were conducted with six respondents in parallel with questionnaires. This forms the basis of much of the information used in this study. The

questions asked pertained to how employees perceived management's treatment of employees, its recognition of their work contributions, addressing of their personal needs, and quality of relationship within the staffing arrangements, and similar areas.

3.6 Focus Group

According to Babbie (2008:338), the focus group is a group of people interviewed together, thereby prompting a discussion amongst them.

For our research, the following six experienced and qualified employees were chosen for the focus group interview and discussion:

1. Ahmad Shinwari, Logistic Officer
2. Arif Zarin, Project Manager
3. Gul Zaman, Service Engineer
4. Mohammad Naseem, Financial Controller
5. Muhammad Fahim, Business Administrator
6. Sajid Rizvi, Project Manager

Before the focus group interview, participants were sent the expected questions to be asked. The date and venue were finalised taking into account their convenience and ease of attendance. The number of questions was limited to minimise participant loss of attention and distraction. Discussion by the participants was kept open and flowing to facilitate sharing of their views with limited constraints in conversation. The views of participants were both noted and recorded to ensure the quality of research findings.

As Babbie (2008:335) has mentioned, 'Qualitative interviewing is based on a set of topics to be discussed in depth, rather than the use of standardised questions'. Following this, participants were let to discuss the topic in depth and were allowed to decide upon the direction of the interview.

3.7 Quality Considerations

Quality considerations in the approach have been undertaken to verify whether the research has met its objectives. According to Reige (2003), in order to present research data on qualitative grounds, it must meet the criteria of two important factors,

validity and reliability. According to Gray (2004: 135), these quality issues are of importance for the case study method because of the reliance on data that is generated from either limited or particular samples or situations.

Yin (2004) identifies the following criteria to establish the validity and reliability in a case study:

- Construct validity – the extent to which a measure operationally defines the concepts being studied
- Internal validity – the extent to which the researcher attempts to show whether an event has led to an outcome, by showing that other factors could not explain the relationship
- External validity – the extent whether or not the findings can be generalised beyond the study
- Reliability – the extent to which the conditions for reliability are met if the findings and conclusions of one researcher can be replicated by another researcher following the same approach/procedure.

3.8 Ethical Considerations

From the first steps in this research project, starting with gaining permission to the questionnaires and focus group interviews, ethical considerations were given the highest priority. This is in keeping with the principles outlined by Denzin and Lincoln (2000): Informed consent, deception, privacy and confidentiality, and accuracy.

Before starting the research and giving it its proper shape, a clear consent and authorisation was obtained from the responsible authorities of Siemens Afghanistan office. At this stage a comprehensive description of the research processes and objectives was clearly stated to ensure that there was no kind of ambiguity. All communication and interaction with the research participants were conducted with honesty, openness and integrity, in order to avoid any possible concerns of deception. The questions being asked were designed with clear answers in mind so as to avoid ambiguity. All interactions held were undertaken with complete honesty, and with considerations for the time and work requirements and obligations of participants.

Every effort was taken to ensure that the working environment of participants was not disturbed or intruded upon in the process of the research.

Documents received with consent from the organisation, Siemens Afghanistan, were used in accordance with the terms specified by them so as to safeguard the interests of the company.

Interview questions for the participating employees were sent beforehand to ensure that they would be familiar with them in advance in order to avoid unexpected questions that might cause them to hesitate in their responses and to avoid possible awkwardness. To further ensure that data and findings of the research were presented accurately, and that views presented were those of the employees, a copy of the paper was provided to participants for their review.

3.9 Summary

This chapter described the methodology adopted for the research. Direct observation, open- and close-ended questionnaires and focus group interviews were used to arrive at the findings of the research undertaking. Its aim was to discover the relationship between management and employees. This was narrowed down to seven objectives that discussed in detail leadership, organisational culture, employee morale and performance, and their mutual effects on each other.

The structure of this research has been designed to meet the genuine objectives of research, and for this purpose, questionnaires and focus group interviews were held. Case study method was also used, as it explained phenomena within an organisation in further detail, leading to detailed discussion and discovery about them.

Data was collected from the organisational records and the opinions of participants and it was taken care that the data should be collected and interpreted accurately. Much attention was give to the focus group interviews which brought out the true and detailed opinion of participants about the research and provided us with the rich information.

In the whole process of research, it was taken care that the data collected should meet the quality standards and the ethical standards should be regarded during the whole process of research.

3.10 References

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APPENDIX ONE

SAMPLES OF INTERVIEW QUESTIONS POSED TO VARIOUS STAKEHOLDERS

Dear _____

RE: Rhodes Business School MBA - Research for Masters in Business Administration 2014

I am currently doing my final year Masters in Business Administration (MBA at Rhodes University Business School). My research topic is:

A CASE STUDY OF SIEMENS AFGHANISTAN: BUILDING A COUNTRY, BUILDING A COMPANY

The goals of the research is to examine the role of Organisational Culture in a company and how it is integrated into an organisation to encourage responsible leadership. The core focus and emphasis of this approach is what it means for businesses operating in the most challenging of commercial environments, while adhering to their corporate ethos and organisational values.

With this letter, I would like to request to have two hours of your time to explore attitudes, perception and approaches regarding the Organisational Culture at Siemens Afghanistan.

Your participation is voluntary and you can withdraw at any time. Any information you provide will be kept confidential and your anonymity will be maintained. Please confirm consent, in a letter.

Should you have any concerns please contact me. My details are as follows:

Raaz Qaleej
Qaleej.Raaz@gmail.com

Signature of participant _____

Signature of researcher _____

Date _____

Date _____

Please sign above and forward this letter back to me by February 20, 2013, as an indication of your consent to interview you. I will subsequently contact you to secure a meeting or if you prefer, your email feed-back will be acceptable.

Best regards,

APPENDIX TWO

Sample of Questionnaire presented to participants.

Dear _____,

Thank you very much to participate in this research.

I am pleased to inform you that, you were specifically selected as potential participant given your inmate knowledge and working experience at Siemens Afghanistan. You are kindly requested to answer the following multiple-choice questionnaire

Questionnaire

Please choose one of the following options:

1. Employees are treated with respect here, regardless of their job.

- (a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.
-

2. My work schedule allows sufficient flexibility to meet my family/ personal needs.

- (a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.
-

3. I believe I have the opportunity for personal development and growth.

- (a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.
-

4. We continually work to ensure our processes are as efficient as possible.

(a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.

5. I am willing to put a great deal of effort beyond what is normally expected to help Siemens succeed.

(a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.

6. I am proud to tell others I work for others.

(a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.

7. Siemens top management provides a clear sense of direction.

(a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.

8. Management style encourages employees to give their best.

(a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.

9. In my opinion, Siemens is socially responsible in the community.

(a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.

10. I have sufficient authority to do my job well.

- (a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.
-

11. Management of my organisation is interested in the well-being of its employees.

- (a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree
-

12. I feel appropriate recognition to a job well done.

- (a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.
-

13. At Siemens, people of different background can succeed at all levels of organisation.

- (a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.
-

14. The commitment of my organisational unit to quality is apparent in what we do on a day-to-day basis.

- (a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.
-

15. In my opinion, I like my working environment and it fosters my performance.

- (a) I strongly agree (b) I agree. (c) I don't agree (d) I strongly disagree.
-

APPENDIX THREE

Sample of Questionnaire (Open-ended Questions)

Dear _____

I am pleased to inform you that, you were specifically selected as potential participant given your inmate knowledge and experience while working at Siemens Afghanistan. The Interview session will take approximately two hours of your time, at your office; the interview will be based on following questions.

Please feel free to give open answers to the following:

1. How do you feel on being part of Siemens?
2. How do you evaluate the standard of decisions taken by the top management?
3. How do you see your working environment? What factors do you like in this regard?
4. What factors make you feel that your organisation is interested in your well-being?
5. What is your opinion about the global reputation and fame of Siemens?
6. What is your opinion about the standard of workplace techniques and processes?
7. Do you feel that there are equal opportunities of improvement and success in Siemens?
8. Are there opportunities for personal development and growth in Siemens for all the employees?
9. How much do you take your organisation to be socially responsible?
10. What are the factors that you like about working in Siemens?